

CHAPTER 289

S.B. No. 1373

AN ACT

relating to the creation, administration, powers, including taxing powers, duties, operations, financing, and dissolution of the Town Center Improvement District of Montgomery County, Texas, and the power of certain entities to contract with the district.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

SECTION 1. CREATION; LEGISLATIVE DECLARATION.

(a) Notwithstanding the general law relating to consent by political subdivisions to the creation of conservation and reclamation districts and the inclusion of land in those districts, there is hereby created and established within Montgomery County, Texas, in the form and manner hereinafter set forth, a special district, to be known as the Town Center Improvement District of Montgomery County, Texas, which shall be a governmental agency, a body politic and corporate, and a political subdivision of the state.

(b) The district is a unit of government for purposes of the Texas Tort Claims Act (Chapter 101, Civil Practice and Remedies Code), and operations of the district are considered to be essential governmental functions and not proprietary functions for all purposes, including the application of the Texas Tort Claims Act.

(c) The name of the district may be changed by resolution of the board of directors of the district at any time.

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TOWNSHIP EXHIBIT

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1 (d) The creation of the district is declared to be essential
2 to the accomplishment of the purposes of Article III, Section 52,
3 and Article XVI, Section 59, of the Texas Constitution and to the
4 accomplishment of the several other public purposes stated in this
5 Act.

6 (e) The legislature finds, determines, and declares that the
7 creation of the district is necessary to promote, develop,
8 encourage, and maintain employment, commerce, economic development,
9 and the public welfare in the Town Center area of Montgomery
10 County. It is the legislature's intent that the creation of the
11 district and this legislation not be interpreted to relieve
12 Montgomery County or any other governmental agency, political
13 subdivision, or municipality from providing the present level of
14 services to the area included within the district or to release the
15 obligations each entity has or may hereafter have to provide
16 services to that area. The district is created to supplement and
17 not supplant such services in the area included within the
18 district.

19 SECTION 2. DEFINITIONS. In this Act:

20 (1) "Board" means the board of directors of the
21 district.

22 (2) "District" means the Town Center Improvement
23 District of Montgomery County, Texas.

24 (3) "Improvement project" means any program or
25 project, whether individual, intermittent, or continuing and

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1 whether located or conducted within or without the district, for
2 the construction, acquisition, lease, rental, installment purchase,
3 improvement, rehabilitation, repair, relocation, operation, or
4 maintenance of any works, improvements, or facilities or the
5 provision, support, enhancement, improvement, extension, or
6 expansion of services, whether provided to, for, by, or on behalf
7 of the district, necessary for the accomplishment of the public
8 purposes of the district, including:

9 (A) landscaping; lighting, banners, and signs;
10 streets or sidewalks; hike and bike paths and trails, pedestrian
walkways, skywalks, crosswalks, or tunnels; highway right-of-way or
12 transit corridor beautification and improvements; drainage or storm
13 water detention improvements; solid waste, water, sewer, or power
14 facilities and services, including but not limited to electrical,
15 gas, steam, and chilled water facilities; parks, lakes, gardens,
16 recreational facilities, open space, scenic areas, and related
17 exhibits and preserves; fountains, plazas, and pedestrian malls;
18 public art and sculpture and related exhibits and facilities;
19 educational and cultural exhibits and facilities; exhibits,
20 displays, attractions, and facilities for special events, holidays,
21 and seasonal or cultural celebrations; off-street parking
22 facilities, bus terminals, heliports, mass-transit, and
23 roadway-borne or water-borne transportation and people-mover
24 systems; and any other public improvements, facilities, or services
25 similar to the foregoing;

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1 (B) the removal, razing, demolition, or clearing
2 of land or improvements in connection with any improvement project;

3 (C) the acquisition of real or personal property
4 or any interest therein in connection with an authorized
5 improvement project provided that the district shall not have the
6 power of eminent domain; and

7 (D) any special or supplemental services for the
8 improvement and promotion of the district or adjacent areas or for
9 the protection of public health and safety within or adjacent to
10 the district, including but not limited to advertising, promotion,
11 tourism, health and sanitation, public safety, security, fire
12 protection and emergency medical services, business recruitment,
13 development, elimination of traffic congestion, and recreational,
14 educational, and cultural improvements, enhancements, and services.

15 SECTION 3. BOUNDARIES. The district shall include all of
16 the territory contained within the following described area:

17 Being a 802.95 acre tract of land situated in Montgomery County,
18 Texas in the Walker County School Land Survey, A-599, John Taylor
19 Survey, A-547, and the Montgomery County School Land Survey, A-350,
20 and being more particularly described by metes and bounds as
21 follows with all control referred to the Texas State Plan
22 Coordinate System, Lambert Projection, South Central Zone:

23 BEGINNING at a point for corner in the south right-of-way line of
24 Woodlands Parkway, as recorded in Volume 823, Page 224, of the
25 Montgomery County Deed Records, located in the west right-of-way

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1 line of Interstate Highway No. 45 having a Texas State Plane
2 Coordinate Value of X= 3,121,407.94, Y= 861,543.52 and being S
3 41°54'27" E, 7,443.73 from the northwest corner of said Walker
4 County School Land Survey, A-599;

5 THENCE along the south right-of-way line of said Woodlands Parkway
6 as follows:

7 N 70°36'26" W, 91.17 feet to a point,
8 S 85°51'45" W, 577.61 feet to a point,
9 S 85°48'56" W, 525.94 feet to a point,
10 S 82°44'32" W, 186.58 feet to a point,
S 83°46'10" W, 810.17 feet to a point,
12 S 84°39'07" W, 195.75 feet to a point,
13 S 81°43'27" W, 874.67 feet to a point,
14 S 82°50'02" W, 630.85 feet to a point,
15 S 86°32'35" W, 308.58 feet to a point,
16 S 86°22'47" W, 1,194.19 feet to a point,
17 S 84°28'14" W, 600.33 feet to a point,

18 And S 74°28'07" W, 745.32 feet to a point for corner at its
19 intersection with the east right-of-way line of Grogan's Mill Road;

20 THENCE S 32°48'58" W, 187.55 feet to a point for corner;

21 THENCE N 79°18'19" W, 210.00 feet to a point for corner;

22 THENCE N 22°12'11" W, 78.06 feet to a point for corner;

23 THENCE N 17°55'38" E, 654.45 feet to a point for corner;

24 THENCE N 40°07'24" E, 529.39 feet to a point for corner;

25 THENCE N 27°32'47" E, 1,121.03 feet to a point for corner;

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1 THENCE N 21°50'09" E, 150.75 feet to a point for corner;
2 THENCE N 27°32'47" E, 43.97 feet to a point for corner;
3 THENCE N 62°27'13" W, 584.03 feet to a point for corner;
4 THENCE N 27°32'47" E, 382.16 feet to a point for corner;
5 THENCE northwesterly along a curve to the right an arc distance of
6 21.26 feet based on a radius of 270.00 feet, a central angle of
7 04°30'45" and having a chord which bears N 64°42'35" W a chord
8 distance of 21.26 feet to a point of tangency;
9 THENCE N 62°27'13" W, 352.65 feet to a point of curvature;
10 THENCE along a curve to the right an arc distance of 194.65 feet
11 based on a radius of 720.00 feet, a central angle of 15°29'24" and
12 having a chord which bears N 54°42'31" W a chord distance of 194.06
13 feet to a point of tangency;
14 THENCE N 46°57'49" W, 154.37 feet to a point for corner;
15 THENCE N 43°02'11" E, 50.00 feet to a point of curvature;
16 THENCE along a curve to the left an arc distance of 200.28 feet
17 based on a radius of 425.00 feet, a central angle of 27°00'00" and
18 having a chord which bears N 29°32'11" E a chord distance of 198.43
19 feet to a point of tangency;
20 THENCE N 16°02'11" E, 295.95 feet to a point of curvature;
21 THENCE along a curve to the left an arc distance of 212.31 feet
22 based on a radius of 1,450.00 feet, a central angle of 08°23'21"
23 and having a chord which bears N 11°50'30" E a chord distance of
24 212.12 feet to a point of tangency;
25 THENCE N 07°38'50" E, 130.20 feet to a point for corner;

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1 THENCE N 51°11'04" W, 374.66 feet to a point for corner;
2 THENCE N 48°00'30" W, 634.11 feet to a point for corner;
3 THENCE N 59°17'39" W, 62.45 feet to a point for corner;
4 THENCE N 18°23'46" W, 93.02 feet to a point for corner;
5 THENCE N 17°52'41" E, 59.29 feet to a point for corner;
6 THENCE N 45°34'13" E, 97.61 feet to a point for corner;
7 THENCE N 17°37'12" E, 183.70 feet to a point for corner;
8 THENCE N 14°17'46" W, 108.32 feet to a point for corner;
9 THENCE N 19°18'14" E, 72.16 feet to a point for corner;
10 THENCE N 33°37'34" E, 104.17 feet to a point for corner;
 THENCE S 75°57'49" E, 12.49 feet to a point of curvature;
12 THENCE along a curve to the right an arc distance of 974.72 feet
13 based on a radius of 2,080.00 feet, a central angle of 26°50'59"
14 and having a chord which bears S 62°32'20" E a chord distance of
15 965.83 feet to a point of tangency;
16 THENCE S 49°06'50" E, 142.10 feet to a point for corner;
17 THENCE N 36°40'50" E, 828.08 feet to a point for corner;
18 THENCE S 49°08'52" E, 346.64 feet to a point for corner;
19 THENCE N 87°31'24" E, 536.99 feet to a point for corner;
20 THENCE S 02°29'55" E, 115.53 feet to a point for corner;
21 THENCE S 02°25'00" E, 590.05 feet to a point for corner;
22 THENCE S 47°18'01" E, 244.25 feet to a point for corner;
23 THENCE S 84°41'11" E, 194.52 feet to a point for corner;
24 THENCE N 89°00'34" E, 555.28 feet to a point for corner;
25 THENCE N 80°47'31" E, 300.00 feet to a point for corner;

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1 THENCE N 11°02'00" W, 190.00 feet to a point for corner;
 2 THENCE N 02°08'49" W, 975.00 feet to a point for corner;
 3 THENCE N 87°51'11" E, 580.00 feet to a point for corner;
 4 THENCE S 02°08'49" E, 126.11 feet to a point for corner;
 5 THENCE N 87°51'11" E, 440.00 feet to a point for corner;
 6 THENCE N 02°08'49" W, 486.11 feet to a point for corner;
 7 THENCE N 87°51'11" E, 32.96 feet to a point of curvature;
 8 THENCE along a curve to the right an arc distance of 528.31 feet
 9 based on a radius of 5,045.00 feet, a central angle of 06°00'00"
 10 and having a chord which bears S 89°08'49" E a chord distance of
 528.07 feet to a point of tangency;
 12 THENCE S 86°08'49" E, 99.85 feet to a point for corner;
 13 THENCE N 48°51'11" E, 14.14 feet to a point for corner;
 14 THENCE N 03°51'11" E, 39.31 feet to a point of curvature;
 15 THENCE along a curve to the right an arc distance of 372.34 feet
 16 based on a radius of 1,255.00 feet, a central angle of 16°59'56"
 17 and having a chord which bears N 12°21'09" E a chord distance of
 18 370.98 feet to a point of tangency;
 19 THENCE N 20°51'07" E 416.95 feet to a point for corner;
 20 THENCE N 24°08'53" W, 35.36 feet to a point for corner;
 21 THENCE N 69°08'53" W, 10.41 feet to a point for corner;
 22 THENCE N 20°51'07" E, 110.00 feet to a point for corner;
 23 THENCE S 69°08'53" E, 5.41 feet to a point for corner;
 24 THENCE N 65°51'07" E, 35.36 feet to a point for corner;
 25 THENCE S 69°08'53" E, 115.00 feet to a point for corner;

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1 THENCE S 24°08'53" E, 35.36 feet to a point for corner;
2 THENCE S 69°08'53" E, 73.98 feet to a point of curvature;
3 THENCE along a curve to the left an arc distance of 379.33 feet
4 based on a radius of 945.00 feet, a central angle of 22°59'56" and
5 having a chord which bears S 80°38'51" E a chord distance of 376.79
6 feet to a point of tangency;
7 THENCE N 87°51'11" E, 478.87 feet to a point of curvature;
8 THENCE along a curve to the left an arc distance of 135.57 feet
9 based on a radius of 1,945.00 feet, a central angle of 03°59'37"
10 and having a chord which bears N 85°51'22" E a chord distance of
11 135.54 feet to a point of tangency;
12 THENCE N 83°51'34" E, 330.58 feet to a point for corner;
13 THENCE S 06°08'26" E, 251.66 feet to a point for corner;
14 THENCE S 06°19'08" E, 104.20 feet to a point for corner;
15 THENCE S 05°34'08" E, 335.41 feet to a point for corner;
16 THENCE S 06°29'11" E, 327.06 feet to a point for corner;
17 THENCE S 07°44'55" E, 239.82 feet to a point for corner;
18 THENCE S 88°21'10" W, 186.42 feet to a point for corner;
19 THENCE S 02°08'52" E, 436.57 feet to a point for corner;
20 THENCE N 87°22'38" E, 220.97 feet to a point for corner;
21 THENCE S 06°37'09" E, 662.44 feet to a point for corner;
22 THENCE S 06°47'16" E, 337.68 feet to a point for corner;
23 THENCE S 06°39'37" E, 500.77 feet to a point for corner;
24 THENCE S 06°46'14" E, 576.28 feet to a point for corner;
25 THENCE S 08°56'30" E, 493.48 feet to a point for corner;

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1 THENCE S 08°42'03" E, 450.64 feet to a point for corner;
2 THENCE S 08°48'51" E, 498.47 feet to a point for corner;
3 THENCE S 08°49'00" E, 368.85 feet to a point for corner;
4 THENCE S 20°16'52" E, 209.35 feet to a point for corner;
5 THENCE S 04°53'48" E, 289.23 feet to a point for corner;
6 THENCE S 78°41'39" W, 528.50 feet to a point for corner;
7 THENCE N 11°21'21" W, 49.94 feet to the POINT OF BEGINNING and
8 containing 802.95 acres of land.

9 SECTION 4. FINDINGS RELATING TO BOUNDARIES. The legislature
10 finds that the boundaries and field notes of the district form a
closure. If any mistake is made in the field notes or in copying
12 the field notes in the legislative process, it in no way affects
13 the organization, existence, and validity of the district or the
14 right, power, or authority of the district to enter into any type
15 of contract for the purposes for which the district is created or
16 the right of the district to levy, assess, and collect taxes, fees,
17 or charges, as herein provided, and in no other manner affects the
18 legality or operations of the district or its board.

19 SECTION 5. FINDING OF BENEFIT AND PUBLIC PURPOSE. (a) The
20 legislature finds that all of the land and other property included
21 within the boundaries of the district will be benefited by the
22 works, projects, improvements, and services that are to be
23 accomplished by the district under powers conferred by Article III,
24 Section 52, and Article XVI, Section 59, of the Texas Constitution
25 and other powers granted under this Act and that the district is

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1 created to serve a public use and benefit.

2 (b) The legislature finds that the creation of the district
3 is essential to further the public purposes of the economic
4 development and diversification of the state, the elimination of
5 unemployment and underemployment, and the stimulation and
6 development of transportation and commerce; that it is in the
7 public interest; and that it will promote the health, safety, and
8 general welfare of residents, employers, employees, and consumers
9 in the district and of the general public. The present and
10 prospective traffic congestion in the district and the safety of
11 pedestrians and the limited availability of funds require the
12 promotion and development of public transportation and pedestrian
13 facilities and systems by new and alternative means, and the
14 district will serve the public purpose of securing expanded and
15 improved transportation and pedestrian facilities and systems. The
16 district will provide needed funding for the Town Center area to
17 preserve, maintain, and enhance the economic health and vitality of
18 the area as a community and business and commerce center. The
19 district will further promote the health, safety, welfare,
20 education, convenience, and enjoyment of the public by improving,
21 landscaping, and developing certain areas within and adjacent to
22 the district and providing public services and facilities within
23 and adjacent to the district which are necessary for the
24 restoration, preservation, enhancement, and enjoyment of scenic and
25 aesthetic beauty. Each and all of the improvement projects

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1 authorized by this Act are hereby found and declared to be
2 essential to carrying out a public purpose. The district will not
3 act as the agent or instrumentality of any private interests, even
4 though many private interests will be benefited by the district as
5 will the general public.

6 (c) This Act shall be liberally construed in conformity with
7 the legislative findings and purposes set forth herein.

8 SECTION 6. GENERAL POWERS. (a) The district has all of the
9 rights, powers, privileges, authority, and functions conferred on
10 municipal management districts by Subchapter E, Chapter 375, Local
11 Government Code, and by the general laws of the state on
12 conservation and reclamation districts created under Article XVI,
13 Section 59, of the Texas Constitution, and on road districts and
14 road utility districts created pursuant to Article III, Section 52,
15 of the Texas Constitution, including those conferred by Chapter 54,
16 Water Code, and Chapter 13, Acts of the 68th Legislature, 2nd
17 Called Session, 1984 (Article 6674r-1, Vernon's Texas Civil
18 Statutes), together with the additional rights, powers, privileges,
19 authority, and functions contained in this Act.

20 (b) If any provision of the general law is in conflict or
21 inconsistent with this Act, this Act prevails. Any general law
22 which supplements the power and authority of the district, to the
23 extent not in conflict or inconsistent with this Act, is adopted
24 and incorporated by reference.

25 SECTION 7. ADDITIONAL SPECIFIC POWERS AND DUTIES. In

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1 costs and reasonable carrying costs incurred by that person for or
2 on behalf of the district, including all or part of the costs of
3 any improvement project;

4 (5) make application for and contract with any person
5 or entity to receive, administer, and perform the district's duties
6 and obligations under any federal, state, local, or private gift,
7 grant, loan, conveyance, transfer, bequest, donation, or other
8 financial assistance arrangement relating to the investigation,
9 planning, analysis, study, design, acquisition, construction,
10 improvement, completion, implementation, or operation by the
district or others of a proposed or existing improvement project;

12 (6) make, adopt, revise, repeal, amend, promulgate,
13 and enforce by ordinary civil remedies reasonable rules and
14 regulations for the administration and operation of the district,
15 the use, enjoyment, availability, protection, security, and
16 maintenance of the district's properties and facilities, and
17 providing for public safety and security within the district;

18 (7) establish, revise, repeal, enforce, collect, and
19 apply the proceeds from user fees, concessions, admissions,
20 rentals, or other similar fees or charges for the enjoyment, sale,
21 rental, or other use of the district's facilities, services,
22 properties, or improvement projects; however, because the district
23 is created in an area that is devoted primarily to commercial and
24 business activity, the district may not impose an impact fee or
25 assessment on a single family residential property or a residential

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1 duplex, triplex, quadruplex, or condominium;

2 (8) provide or secure the payment or repayment of the
3 costs and expenses of the establishment, administration, and
4 operation of the district and the district's costs or share of the
5 costs of any improvement project, or district contractual
6 obligation or indebtedness, by or through a lease, installment
7 purchase contract, or other agreement with any person or the levy
8 and assessment of taxes, user fees, concessions, rentals, or other
9 revenues or resources of the district; and

10 (9) undertake separately or jointly with other persons
11 or entities and pay all or part of the cost of improvement
12 projects, including improvement projects for improving, enhancing,
13 and supporting public safety and security, fire protection and
14 emergency medical services, and law enforcement within and adjacent
15 to the district and improvement projects that confer a general
16 benefit on the entire district and the areas adjacent thereto or a
17 special benefit on a definable part of the district, which may be
18 the entire district or any part thereof; however, the district
19 shall not be authorized to employ peace officers.

20 SECTION 8. BOARD OF DIRECTORS. (a) The district is
21 governed by a board of eight directors who shall serve for
22 staggered terms of four years.

23 (b)(1) Except as provided by Subdivisions (2) and (3) of
24 this subsection, to be qualified to serve as a director, a person
25 must be at least 18 years old and be:

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1 (A) a resident of the district;

2 (B) an individual owner of real property in the
3 district;

4 (C) an individual owner of stock, whether
5 beneficial or otherwise, of a corporate owner of real property in
6 the district;

7 (D) an individual owner of a beneficial interest
8 in a trust that owns real property in the district; or

9 (E) an agent, employee, officer, or director of
10 any owner of real property described by Paragraph (B), (C), or (D)
11 of this subdivision.

12 (2) To be eligible for appointment under Paragraph (F)
13 or (G) of Subdivision (1) of Subsection (c) of this section, a
14 person must be a resident of the city making the appointment and
15 may not be a person described by Paragraph (B), (C), (D), or (E) of
16 Subdivision (1) of this subsection.

17 (3) To be eligible for appointment under Paragraph (H)
18 of Subdivision (1) of Subsection (c) of this section, a person must
19 be a member of the Woodlands Community Association and may not be a
20 person described by Paragraph (B), (C), (D), or (E) of Subdivision
21 (1) of this subsection.

22 (4) A person or entity that owns an interest in a
23 general or limited partnership owning real property in the district
24 or who has a lease of real property in the district with a
25 remaining term of 10 years or more, excluding options, is

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1 considered to be an owner of real property for purposes of this
2 subsection.

3 (c)(1) On the effective date of this Act, the following
4 persons shall constitute the initial board and shall serve as
5 provided in this Act:

6 (A) Vicki D. Armstrong;

7 (B) Roger L. Galatas;

8 (C) R. A. Kutsche;

9 (D) Michael H. Richmond;

10 (E) Bruce M. Withers, Jr.;

(F) one individual appointed by the city council

12 of the City of Oak Ridge North;

13 (G) one individual appointed by the city council

14 of the City of Shenandoah; and

15 (H) one individual appointed by the board of
16 directors of the Woodlands Community Association.

17 (2) If one or more of the initial directors listed in
18 this subsection fails to qualify for office within 90 days after
19 the effective date of this Act, the remaining directors shall
20 appoint qualified persons to fill the vacancies for the unexpired
21 terms.

22 (d) Of the initial directors, four shall serve until the
23 first Saturday in May, 1994, or until their successors have been
24 elected or appointed and have qualified, and four shall serve until
25 the first Saturday in May, 1996, or until their successors have

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1 been elected or appointed and have qualified. The board shall
2 determine the terms of the initial directors by mutual agreement or
3 by lot.

4 (e) A vacancy in the office of director shall be filled by
5 appointment by a majority vote of the remaining directors. The
6 board may remove a director for misconduct or failure to carry out
7 his duties by unanimous vote of all of the remaining directors.

8 (f) As soon as practicable after a director is elected or
9 appointed, such person shall execute a bond for \$10,000 payable to
10 the district and conditioned on the faithful performance of his
11 duties. All bonds of the directors shall be approved by the board,
12 and each director shall take the oath of office prescribed by the
13 constitution for public officers. The bond and oath shall be filed
14 with the district and retained in its records.

15 (g) After directors have been appointed or elected and have
16 qualified by executing a bond and taking the proper oath, they
17 shall organize or reorganize by electing a president, a
18 vice-president, a secretary, and any other officers as in the
19 judgment of the board are necessary.

20 (h) A position on the board may not be construed to be a
21 civil office of emolument for any purpose, including those purposes
22 described in Article XVI, Section 40, of the Texas Constitution.

23 (i) A director is not entitled to compensation for service
24 on the board but is entitled to be reimbursed for necessary
25 expenses incurred in carrying out the duties and responsibilities

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1 of a director.

2 (j) Except as provided in Subsection (e) of this section,
3 five directors constitute a quorum for the consideration of matters
4 pertaining to the purposes of the district, and a concurrence of a
5 majority of a quorum of directors shall be required for any
6 official action of the district.

7 (k) A person who qualifies to serve on the board under
8 Subsection (b) of this section shall be qualified to serve as a
9 director and participate in all votes pertaining to the business of
10 the district regardless of any statutory provisions to the
contrary.

12 SECTION 9. CONFIRMATION AND DIRECTORS ELECTIONS. (a) As
13 soon as practicable after all initial directors have qualified for
14 office, the initial directors shall file the statement and take the
15 oath of office required of appointed officials and meet in an
16 organizational session. If the board does not determine to call
17 hearings to exclude territory from the district, the board at the
18 organizational meeting shall call a confirmation election to be
19 held on the next lawfully available uniform election date occurring
20 not less than 45 days after the date of such organizational
21 meeting.

22 (b) The confirmation election shall be called and held to
23 confirm the establishment of the district in the manner provided by
24 general law applicable to municipal utility districts. In the
25 event a majority of the votes cast at a confirmation election is

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1 against the creation of the district, the board shall not call
2 another confirmation election for six months after the date the
3 former confirmation election is held. Prior to a successful
4 confirmation election, the district may not borrow money or levy or
5 assess taxes; however, the district shall have the power to carry
6 on such other business as the board may determine.

7 (c) An election to authorize or to discontinue the levy and
8 assessment of taxes may be held at the same time and in conjunction
9 with a confirmation or directors election.

10 (d) An election for directors shall be held on the first
11 Saturday in May in each even-numbered year in the manner provided
12 by general law applicable to municipal utility districts, and the
13 appropriate number of directors shall be elected for four-year
14 terms.

15 SECTION 10. OPEN MEETINGS AND RECORDS. The district is a
16 political subdivision for purposes of the open meetings law,
17 Chapter 271, Acts of the 60th Legislature, Regular Session, 1967
18 (Article 6252-17, Vernon's Texas Civil Statutes), and the open
19 records law, Chapter 424, Acts of the 63rd Legislature, Regular
20 Session, 1973 (Article 6252-17a, Vernon's Texas Civil Statutes),
21 and shall solely for the purposes thereof be considered a municipal
22 utility district.

23 SECTION 11. LIMITED SALES AND USE TAX. (a) The words and
24 phrases used in this section and defined by Chapters 151 and 321,
25 Tax Code, have the meanings assigned by Chapters 151 and 321, Tax

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1 Code.

2 (b) Except as otherwise provided in this section, Subtitles
3 A and B, Title 2, and Chapter 151, Tax Code, apply to the taxes and
4 to the administration and enforcement of the taxes imposed by this
5 district pursuant to this Act in the same manner that those laws
6 apply to state taxes.

7 (c) The district may adopt or repeal the limited sales and
8 use tax authorized by this section at an election in which a
9 majority of the qualified voters of the district voting in such
10 election approve the adoption or the abolition of the tax, as
applicable.

12 (d) The provisions of Subchapters C, D, E, and F, Chapter
13 323, Tax Code, relating to county sales and use taxes shall apply
14 to the application, collection, and administration of a sales and
15 use tax imposed under this Act, to the extent not inconsistent with
16 the provisions of this Act, and with the same effect as if
17 references therein to a county or a commissioners court referred to
18 the district or its board; provided that Sections 323.401 through
19 323.404 and Section 323.505, Tax Code, do not apply.

20 (e) A tax imposed under this Act or the repeal or reduction
21 of a tax under this Act takes effect on October 1 after the
22 expiration of the first complete calendar quarter occurring after
23 the date on which the comptroller receives the notice required by
24 Subsection (b), Section 323.405, Tax Code, or Subsection (i) of
25 this section.

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1 (f) On adoption of the tax authorized by this Act, there is
2 imposed a tax on the receipts from the sale at retail of taxable
3 items within the district at the rate of one percent, as well as an
4 excise tax on the use, storage, or other consumption within the
5 district of taxable items purchased, leased, or rented from a
6 retailer during the period that the tax is effective within the
7 district. The rate of the excise tax is the same as the rate of
8 the sales tax portion of the tax and is applied to the sales price
9 of the taxable item. With respect to a taxable service, "use"
10 means the derivation in the district of direct or indirect benefit
from the service.

12 (g) An election to authorize or repeal a limited sales and
13 use tax may be called by order of the board and must be held on the
14 next lawfully available uniform election date occurring not less
15 than 45 days after the date on which the order calling the election
16 was passed. Notice of the election shall be given and the election
17 shall be held and conducted in the manner prescribed by general law
18 for bond elections for municipal utility districts. The ballots
19 shall be printed to provide for voting for or against the
20 proposition "Adoption of a one percent district sales and use tax
21 within the district" or "Abolition of the district sales and use
22 tax within the district," as appropriate.

23 (h) In the event that all or part of the territory of the
24 district is annexed by a municipality which has adopted and is
25 imposing a sales and use tax, the sales and use tax imposed by the

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1 district in such annexed territory shall be reduced, if required to
2 comply with the provisions hereof, in even multiples of one-half
3 percent, and without the necessity for an election, such that the
4 combined rate of all sales and use taxes imposed by the county, the
5 annexing municipality, and all other political subdivisions within
6 the annexed territory of the district will not exceed two percent,
7 provided that a sales and use tax previously adopted by the
8 district for such annexed territory shall not be reduced to less
9 than one-half percent and provided further that no reduction of the
10 district's sales and use tax in the portions of the district not so
annexed shall be required.

12 (i) Within 10 days after the annexation or exclusion of
13 territory by the district or the annexation of all or part of the
14 territory of the district by a municipality requiring a reduction
15 of the district's sales and use tax, as provided in Subsection (h)
16 of this section, the board shall send to the comptroller by United
17 States certified or registered mail certified copies of all
18 resolutions, orders, or ordinances pertaining to such events.

19 SECTION 12. LIMITATIONS ON INDEBTEDNESS. The district may
20 borrow money for its corporate purposes and evidence such
21 indebtedness by one or more contracts, promissory notes, or similar
22 instruments provided that no such indebtedness shall be incurred by
23 the district unless the taxes and other net revenues to be realized
24 by the district during the one-year period following the incurrence
25 of such indebtedness are projected by the board to be sufficient,

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1 together with funds on hand and available or projected to be on
2 hand and available to the district from other sources, including
3 gifts, grants, loans, conveyances, transfers, bequests, donations,
4 or other financial assistance, to repay or discharge such
5 indebtedness within such one-year period.

6 SECTION 13. CONTRACTS WITH DISTRICT. The district is
7 authorized to contract with a city, county, other political
8 subdivision, corporation, or other persons to carry out the
9 purposes of this Act on such terms and conditions and for such
10 period of time as the board may determine. A state agency, city,
11 county, other political subdivision, corporation, individual, or
12 other entity may contract with the district to carry out the
13 purposes of this Act without any further authorization,
14 notwithstanding any other law or charter provision to the contrary.

15 SECTION 14. DISSOLUTION. (a) The board may elect by
16 majority vote to dissolve the district at any time, and the board
17 shall dissolve the district on written petition of the owners of 75
18 percent, in terms of acreage, of the real property in the district;
19 however, the district may not be dissolved by the board if the
20 district has any outstanding indebtedness or contractual
21 obligations until such indebtedness or contractual obligations have
22 been repaid or discharged.

23 (b) After the board elects to dissolve the district, the
24 board shall transfer ownership of all property and assets of the
25 district to Montgomery County, except as provided by Subsection (c)

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1 of this section.

2 (c) If on the date of the vote to dissolve the district more
3 than 50 percent of the territory within the district is within the
4 corporate limits of a municipality, the board shall transfer
5 ownership of the district's property and assets to that
6 municipality.

7 SECTION 15. NOTICE AND CONSENT. The legislature finds that
8 the proper and legal notice of the intention to introduce this Act,
9 setting forth the general substance of this Act, has been published
10 as provided by law, and the notice and a copy of this Act have been
11 furnished to all persons, agencies, officials, or entities to which
12 they are required to be furnished by the constitution and laws of
13 this state, including the governor, who has submitted the notice
14 and Act to the Texas Water Commission. The legislature further
15 finds that the Texas Water Commission has filed its recommendations
16 relating to this Act with the governor, lieutenant governor, and
17 speaker of the house of representatives within the required time.
18 All requirements of the constitution and laws of this state and the
19 rules and procedures of the legislature with respect to the notice,
20 introduction, and passage of this Act have been fulfilled and
21 accomplished.


22 SECTION 16. SEVERABILITY. The provisions of this Act are
23 severable. If any word, phrase, clause, sentence, section,
24 provision, or part of this Act is held invalid or unconstitutional,
25 it shall not affect the validity of the remaining portions, and it


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1 is declared to be the legislative intent that this Act would have
2 been passed as to the remaining portions regardless of the
3 invalidity of any part.

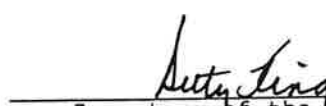
4 SECTION 17. EMERGENCY. The importance of this legislation
5 and the crowded condition of the calendars in both houses create an
6 emergency and an imperative public necessity that the
7 constitutional rule requiring bills to be read on three several
8 days in each house be suspended, and this rule is hereby suspended,
9 and that this Act take effect and be in force from and after its
10 passage, and it is so enacted.

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President of the Senate


Speaker of the House

I hereby certify that S.B. No. 1373 passed the Senate on April 22, 1993, by the following vote: Yeas 29, Nays 0; and that the Senate concurred in House amendments on May 13, 1993, by the following vote: Yeas 30, Nays 0. _____


Secretary of the Senate

I hereby certify that S.B. No. 1373 passed the House, with amendments, on May 11, 1993, by the following vote: Yeas 140, Nays 0, two present not voting. _____


Chief Clerk of the House

Approved:


date

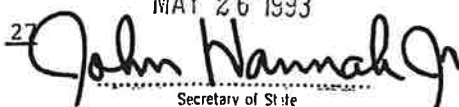
Governor

FILED IN THE OFFICE OF THE
SECRETARY OF STATE

.....7:00p.....O'CLOCK

MAY 26 1993

27


Secretary of State



The State of Texas
Secretary of State

***I, ANTONIO O. GARZA, JR., Secretary of State of the State of Texas, DO
HEREBY CERTIFY that the attached is a TRUE AND CORRECT copy of Senate Bill
26, passed by the 75th Legislature, Regular Session, 1997, as signed by the Governor
on May 26, 1997, and as filed in this office on May 26, 1997.***

Date Issued: August 5, 1997



Antonio O. Garza, Jr.

Antonio O. Garza, Jr.
Secretary of State

CHAPTER 255

S.B. No. 26

AN ACT

relating to the Town Center Improvement District of Montgomery County, Texas; authorizing a tax and granting the authority to issue bonds.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

SECTION 1. Section 1, Chapter 289, Acts of the 73rd Legislature, 1993, is amended by adding Subsection (f) to read as follows:

(f) Except as otherwise provided by this Act, the district is not subject to the jurisdiction or supervision of the commission under Chapter 49, Water Code, or other law.

SECTION 2. Section 2, Chapter 289, Acts of the 73rd Legislature, 1993, is amended to read as follows:

Sec. 2. DEFINITIONS. In this Act:

(1) "Board" means the board of directors of the district.

(2) "Commission" means the Texas Natural Resource Conservation Commission.

(3) "District" means the Town Center Improvement District of Montgomery County, Texas.

(4) ~~{3}~~ "Improvement project" means any program or project, whether individual, intermittent, or continuing and whether located or conducted within or without the district, for the planning, design, construction, acquisition, lease, rental,

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1 installment purchase, improvement, provision of furnishings,
2 equipment, rehabilitation, repair, reconstruction, relocation, use,
3 management, operation, or maintenance of any works, improvements,
4 or facilities or the provision, support, enhancement, improvement,
5 extension, or expansion of services, whether provided to, for, by,
6 or on behalf of the district, necessary for the accomplishment of
7 the public purposes of the district, including:

8 (A) landscaping; lighting, banners, and signs;
9 streets or sidewalks; hike and bike paths and trails, pedestrian
0 walkways, skywalks, crosswalks, or tunnels; highway right-of-way or
1 transit corridor beautification and improvements; drainage or storm
2 water detention improvements; solid waste, water, sewer, or power
3 facilities and services, including but not limited to electrical,
4 gas, steam, and chilled water facilities; parks, lakes, gardens,
5 recreational facilities, open space, scenic areas, and related
6 exhibits and preserves; fountains, plazas, and pedestrian malls;
7 public art and sculpture and related exhibits and facilities;
8 educational and cultural exhibits and facilities; conferences,
9 conventions, or exhibitions; manufacturer, consumer, or trade
0 shows; civic, community, or institutional events; exhibits,
1 displays, attractions, and facilities for special events, holidays,
2 and seasonal or cultural celebrations; off-street parking
3 facilities, bus terminals, heliports, mass-transit, and
4 roadway-borne or water-borne transportation and people-mover
5 systems; and any other public improvements, facilities, or services

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1 similar to the foregoing;

2 (B) the removal, razing, demolition, or clearing
3 of land or improvements in connection with any improvement project;

4 (C) the acquisition of real or personal property
5 or any interest therein in connection with an authorized
6 improvement project provided that the district shall not have the
7 power of eminent domain; and

8 (D) any special or supplemental services for the
9 improvement and promotion of the district or adjacent areas or for
0 the protection of public health and safety within or adjacent to
1 the district, including but not limited to advertising, promotion,
2 tourism, health and sanitation, public safety, security, fire
3 protection and emergency medical services, business recruitment,
4 development, elimination of traffic congestion, and recreational,
5 educational, and cultural improvements, enhancements, and services.

6 SECTION 3. Subsection (a), Section 6, Chapter 289, Acts of
7 the 73rd Legislature, 1993, is amended to read as follows:

8 (a) The district has all of the rights, powers, privileges,
9 authority, and functions conferred on municipal management
0 districts by Subchapter E, Chapter 375, Local Government Code, and
1 by the general laws of the state on conservation and reclamation
2 districts created under Article XVI, Section 59, of the Texas
3 Constitution, and on road districts and road utility districts
4 created pursuant to Article III, Section 52, of the Texas
5 Constitution, including those conferred by Chapters 49 and

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1 [Chapter] 54, Water Code, and Chapter 441, Transportation Code [13,
 2 ~~Acts of the 68th Legislature, 2nd--Called--Session,--1984--(Article~~
 3 ~~6674r-1,---Vernon's--Texas--Civil--Statutes)~~], together with the
 4 additional rights, powers, privileges, authority, and functions
 5 contained in this Act.

6 SECTION 4. Section 7, Chapter 289, Acts of the 73rd
 7 Legislature, 1993, is amended to read as follows:

8 Sec. 7. ADDITIONAL SPECIFIC POWERS AND DUTIES. In addition
 9 to the general powers set forth in Section 6 of this Act, the board
 0 may, subject to the provisions and limitations hereinafter set
 1 forth:

2 (1) levy, assess, and apply the proceeds from a
 3 limited sales and use tax for the district's purposes, provided
 4 that, during each interval of three calendar years following the
 5 commencement of collection of such tax, the board shall, consistent
 6 with the district's authorized powers and purposes and in its sound
 7 discretion, endeavor to apply an annual average of not less than 10
 8 percent of the net proceeds of such tax collections, after
 9 deduction of the general and administrative costs and expenses of
 0 the district and the costs and expenses of levying, assessing, and
 1 collecting such taxes, toward mitigation of the impact of
 2 development within the district on adjacent areas, including
 3 without limitation effects on public utilities and services, public
 4 transportation and traffic movement, and scenic and aesthetic
 5 beauty;

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1 (2) borrow money for the corporate purposes of the
2 district;

3 (3) add or exclude territory in the manner provided by
4 Subchapter J [H], Chapter 49, and Section 54.016 [54], Water Code,
5 except that Section 42.042, Local Government Code, and Section
6 54.016, Water Code, shall not apply to the annexation of land
7 restricted primarily to commercial or business use;

8 (4) contract with any person or entity for the
9 accomplishment of any of the district's purposes including without
0 limitation contracting [~~contracts~~] for:

1 (A) the payment, repayment, or reimbursement,
2 out of tax proceeds or any other specified source of funds, of any
3 costs and reasonable carrying costs incurred by that person for or
4 on behalf of the district, including all or part of the costs of
5 any improvement project; or

6 (B) the use, occupancy, lease, rental,
7 operation, maintenance, or management of all or part of a proposed
8 or existing improvement project;

9 (5) make application for and contract with any person
0 or entity to receive, administer, and perform the district's duties
1 and obligations under any federal, state, local, or private gift,
2 grant, loan, conveyance, transfer, bequest, donation, or other
3 financial assistance arrangement relating to the investigation,
4 planning, analysis, study, design, acquisition, construction,
5 improvement, completion, implementation, or operation by the

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1 district or others of a proposed or existing improvement project;

2 (6) make, adopt, revise, repeal, amend, promulgate,
3 and enforce by ordinary civil remedies reasonable rules and
4 regulations for the administration and operation of the district,
5 the use, enjoyment, availability, protection, security, and
6 maintenance of the district's properties and facilities, and
7 providing for public safety and security within the district;

8 (7) establish, revise, repeal, enforce, collect, and
9 apply the proceeds from user fees, concessions, admissions,
0 rentals, or other similar fees or charges for the enjoyment, sale,
1 rental, or other use of the district's facilities, services,
2 properties, or improvement projects; however, because the district
3 is created in an area that is devoted primarily to commercial and
4 business activity, the district may not impose an impact fee or
5 assessment on a single family residential property or a residential
6 duplex, triplex, quadruplex, or condominium;

7 (8) provide or secure the payment or repayment of the
8 costs and expenses of the establishment, administration, and
9 operation of the district and the district's costs or share of the
0 costs of any improvement project, or district contractual
1 obligation or indebtedness, by or through a lease, installment
2 purchase contract, or other agreement with any person or the levy
3 and assessment of taxes, user fees, concessions, rentals, or other
4 revenues or resources of the district; [and]

5 (9) undertake separately or jointly with other persons

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or entities and pay all or part of the cost of improvement projects, including improvement projects for improving, enhancing, and supporting public safety and security, fire protection and emergency medical services, and law enforcement within and adjacent to the district and improvement projects that confer a general benefit on the entire district and the areas adjacent thereto or a special benefit on a definable part of the district, which may be the entire district or any part thereof; however, the district shall not be authorized to employ peace officers; and

(10) impose, collect, and apply the proceeds from a hotel occupancy tax as provided by Sections 11A and 11B of this Act.

SECTION 5. Subsections (b), (c), (e), and (k), Section (8), Chapter 289, Acts of the 73rd Legislature, 1993, are amended to read as follows:

(b)(1) Except as provided by Subdivisions (2) and (3) of this subsection, to be qualified to serve as a director, a person must be at least 18 years old and be:

(A) a resident of the district;

(B) an individual owner of real property in the district;

(C) an individual owner [~~of--stock~~], whether beneficial or otherwise, of at least 10 percent of the outstanding stock of a corporate owner of real property in the district or of a corporate lessee of real property in the district with an original

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lease term of five years or more, excluding options;

(D) an individual owner of at least 10 percent of the [a] beneficial interest in a trust that:

(i) owns real property in the district; or

(ii) leases real property in the district under an original lease term of five years or more, excluding options;

(E) an individual lessee of real property in the district under an original lease term of five years or more, excluding options;

(F) an individual owner of at least 10 percent of the outstanding interest in a general or limited partnership that:

(i) owns real property in the district; or

(ii) leases real property in the district under an original lease term of five years or more, excluding options; or

(G) [†E] an individual agent, employee, officer, or director of any individual, corporation, trust, or partnership that owns or leases [owner-of] real property described by Paragraph (B), (C), [or] (D), (E), or (F) of this subdivision who is designated by such owner or lessee to serve in that capacity.

(2) To be eligible for appointment under [Paragraph †F)-or-(G)-of-Subdivision-(†)-of] Subsection (c)(1)(F) or (G) of

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1 this section, a person must be a resident of the city making the
 2 appointment [~~and may not be a person described by Paragraph (B),~~
 3 ~~(C), (D), or (E) of Subdivision (1) of this subsection~~].

4 (3) To be eligible for appointment under [Paragraph
 5 ~~(H) of Subdivision (1) of~~] Subsection (c)(1)(H) of this section, a
 6 person must be a member of The [the] Woodlands Community
 7 Association, Inc [~~and may not be a person described by Paragraph~~
 8 ~~(B), (C), (D), or (E) of Subdivision (1) of this subsection~~].

9 [~~(4) A person or entity that owns an interest in a~~
 0 ~~general or limited partnership owning real property in the district~~
 1 ~~or who has a lease of real property in the district with a~~
 2 ~~remaining term of 10 years or more, excluding options, is~~
 3 ~~considered to be an owner of real property for purposes of this~~
 4 ~~subsection~~].

5 (c)(1) On the effective date of this Act, the following
 6 persons shall constitute the initial board and shall serve as
 7 provided in this Act:

8 (A) Vicki D. Armstrong;

9 (B) Roger L. Galatas;

0 (C) R. A. Kutsche;

1 (D) Michael H. Richmond;

2 (E) Bruce M. Withers, Jr.;

3 (F) one individual appointed by the city council
 4 of the City of Oak Ridge North;

5 (G) one individual appointed by the city council

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1 of the City of Shenandoah; and

2 (H) one individual appointed by the board of
3 directors of The [the] Woodlands Community Association, Inc.

4 (2) If one or more of the initial directors listed in
5 this subsection fails to qualify for office within 90 days after
6 the effective date of this Act, the remaining directors shall
7 appoint qualified persons to fill the vacancies for the unexpired
8 terms.

9 (e) A vacancy in the office of director shall be filled by
10 appointment of a qualified individual by a majority vote of the
11 remaining directors, except that if the number of directors for any
12 reason is less than five, on petition of a resident of or owner of
13 real property in the district, the commission shall appoint the
14 required number of qualified individuals to fill the vacancies.
15 The board may remove a director for misconduct or failure to carry
16 out the director's [his] duties by unanimous vote of all of the
17 remaining directors.

18 (k) A person who qualifies to serve on the board [~~under~~
19 ~~Subsection-(b)-of-this-section~~] shall be qualified to serve as a
20 director and participate in all votes pertaining to the business of
21 the district regardless of any common-law doctrine or any statutory
22 conflict-of-interest, incompatibility, or similar provision
23 [~~provisions~~] to the contrary.

24 SECTION 6. Section 11, Chapter 289, Acts of the 73rd
25 Legislature, 1993, is amended by amending Subsection (h) and adding

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1 Subsection (j) to read as follows:

2 (h) In the event that all or part of the territory of the
3 district is annexed by or incorporated into a municipality that
4 [which] has adopted and is imposing a sales and use tax or that
5 later adopts and imposes a sales and use tax, the sales and use tax
6 imposed by the district in such annexed or incorporated territory
7 shall be reduced, if required to comply with the provisions hereof,
8 in even multiples of one-half percent, and without the necessity
9 for an election, such that the combined rate of all sales and use
0 taxes imposed by the county, the ~~[annexing]~~ municipality, and all
1 other political subdivisions within the annexed or incorporated
2 territory of the district will not exceed two percent, provided
3 that:

4 (1) the municipality shall reimburse the district for
5 the amount of the tax reduced in the manner provided by Section
6 312.637(h), Tax Code, until the bonds of the district payable or
7 secured, wholly or partly, from the proceeds of the sales and use
8 tax are no longer outstanding;

9 (2) a sales and use tax previously adopted by the
0 district for such annexed or incorporated territory shall not be
1 reduced to less than one-half percent; and

2 (3) ~~[provided---further--that]~~ no reduction of the
3 district's sales and use tax in the portions of the district not so
4 annexed or incorporated shall be required.

5 (j) The district is entitled to examine and receive

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1 information related to the levy, assessment, and collection of
2 sales and use taxes to the same extent as if the district were a
3 municipality.

4 SECTION 7. Chapter 289, Acts of the 73rd Legislature, 1993,
5 is amended by adding Sections 11A and 11B to read as follows:

6 Sec. 11A. HOTEL OCCUPANCY TAX. (a) In this section,
7 "hotel" has the meaning assigned by Section 156.001, Tax Code.

8 (b) The board by order may impose a tax on a person who,
9 under a lease, concession, permit, right of access, license,
0 contract, or agreement, pays for the use or possession or for the
1 right to use or possess a room that is in a hotel located in the
2 boundaries of the district, costs \$2 or more each day, and is
3 ordinarily used for sleeping. The amount of the tax may not exceed
4 seven percent of the price paid for a room in a hotel.

5 (c) A district by order may repeal, increase, or decrease
6 the rate of a tax imposed under this section.

7 (d) Except as inconsistent with this section and Section 11B
8 of this Act and subject to the limitations prescribed by Sections
9 352.002(b) and (c), Tax Code, Subchapter A, Chapter 352, Tax Code,
0 governs a hotel occupancy tax authorized under this section,
1 including the collection of the tax.

2 (e) The district is entitled to examine and receive
3 information related to the levy, assessment, and collection of
4 hotel occupancy taxes to the same extent as if the district were a
5 municipality.

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1 (f) For purposes of this section, a reference in Subchapter
2 A, Chapter 352, Tax Code, to a county or the county's officers or
3 governing body is a reference to the district or the district's
4 officers or governing body, as appropriate.

5 Sec. 11B. USE OF HOTEL OCCUPANCY TAX PROCEEDS. (a) The
6 district shall apply the proceeds from a hotel occupancy tax
7 imposed under Section 11A of this Act for any of the district's
8 purposes and for the purposes described by Section 352.1015, Tax
9 Code, to the extent considered appropriate by the board.

10 (b) During each interval of three calendar years following
11 the date on which a hotel occupancy tax imposed under Section 11A
12 of this Act is initially collected, the board may not apply an
13 annual average of more than 10 percent of the amount of tax
14 collected under that section, excluding any interest earnings or
15 investment profits and after a deduction for the costs of imposing
16 and collecting the taxes, for the administrative expenses of the
17 district or a district purpose other than:

18 (1) the costs of advertising and promoting tourism;
19 and

20 (2) the costs of business development and commerce,
21 including the costs of planning, designing, constructing,
22 acquiring, leasing, financing, owning, operating, maintaining,
23 managing, improving, repairing, rehabilitating, or reconstructing
24 improvement projects for conferences, conventions, and exhibitions,
25 manufacturer, consumer, or trade shows, and civic, community, or

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1 institutional events.

2 (c) For purposes of this section, a reference in Subchapter
3 A, Chapter 352, Tax Code, to a county or the county officers or
4 governing body means the district or the district's officers or
5 governing body, as appropriate.

6 SECTION 8. Chapter 289, Acts of the 73rd Legislature, 1993,
7 is amended by adding Section 12A to read as follows:

8 Sec. 12A. BONDS. (a) The board may issue bonds in the
9 manner provided by Subchapter J, Chapter 375, Local Government
0 Code. Sections 375.207 and 375.208, Local Government Code, do not
1 apply to bonds issued under this section.

2 (b) If the district issues bonds for the primary purpose of
3 providing water, sewage, or drainage facilities, the district must
4 obtain the commission's approval in the manner provided by Chapter
5 49, Water Code.

6 (c) In addition to the sources of money described by
7 Subchapter J, Chapter 375, Local Government Code, the bonds of the
8 district may be secured and made payable, wholly or partly, by a
9 pledge of any part of the net proceeds the district receives from:

0 (1) a specified portion, but not more than one-half
1 percent, of the sales and use tax authorized by Section 11 of this
2 Act;

3 (2) the hotel occupancy tax authorized by Section 11A
4 of this Act; and

5 (3) repayments the district receives from a

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1 municipality because of a required reduction of the district's
2 sales and use tax.

3 SECTION 9. Section 14, Chapter 289, Acts of the 73rd
4 Legislature, 1993, is amended by adding Subsection (d) to read as
5 follows:

6 (d) The district may not be dissolved by a municipality in
7 which the district is located.

8 SECTION 10. Section 12, Chapter 289, Acts of the 73rd
9 Legislature, 1993, is repealed.

0 SECTION 11. (a) The proper and legal notice of the
1 intention to introduce this Act, setting forth the general
2 substance of this Act, has been published as provided by law, and
3 the notice and a copy of this Act have been furnished to all
4 persons, agencies, officials, or entities to which they are
5 required to be furnished by the constitution and other laws of this
6 state, including the governor, who has submitted the notice and Act
7 to the Texas Natural Resource Conservation Commission.


8 (b) The Texas Natural Resource Conservation Commission has
9 filed its recommendations relating to this Act with the governor,
10 lieutenant governor, and speaker of the house of representatives
11 within the required time.


12 (c) All requirements of the constitution and laws of this
13 state and the rules and procedures of the legislature with respect
14 to the notice, introduction, and passage of this Act are fulfilled
15 and accomplished.

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1 SECTION 12. The importance of this legislation and the
2 crowded condition of the calendars in both houses create an
3 emergency and an imperative public necessity that the
4 constitutional rule requiring bills to be read on three several
5 days in each house be suspended, and this rule is hereby suspended,
6 and that this Act take effect and be in force from and after its
7 passage, and it is so enacted.

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President of the Senate


Speaker of the House

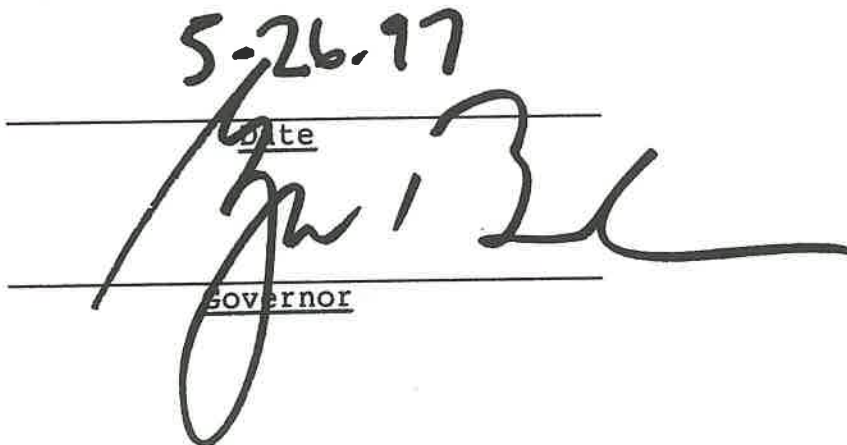
I hereby certify that S.B. No. 26 passed the Senate on April 23, 1997, by the following vote: Yeas 30, Nays 1. _____


Secretary of the Senate

I hereby certify that S.B. No. 26 passed the House on May 10, 1997, by the following vote: Yeas 139, Nays 1, two present not voting. _____


Chief Clerk of the House

Approved:

5-26-97

Governor

FILED IN THE OFFICE OF THE
SECRETARY OF STATE
5:17pm O'CLOCK

MAY 26 1997


Secretary of State



The State of Texas

Secretary of State

I, ELTON BOMER, Secretary of State of the State of Texas, DO HEREBY CERTIFY that the attached is a TRUE AND CORRECT copy of Senate Bill 1807, as passed by the 76th Legislature, Regular Session, 1999, as signed by the Governor on June 19, 1999, and filed in this office on June 19, 1999.

Date Issued: July 1, 1999

EB/SDS/jr



A handwritten signature in black ink, reading "Elton Bommer".

Elton Bommer
Secretary of State

Chapter 1562

S.B. No. 1807

AN ACT

1 relating to the administration, powers, including taxing powers,
2 operations, and financing of the Town Center Improvement District
3 of Montgomery County, Texas.

4 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

5 SECTION 1. Section 2, Chapter 289, Acts of the 73rd
6 Legislature, Regular Session, 1993, is amended to read as follows:

7 Sec. 2. DEFINITIONS. In this Act:

8 (1) "Board" means the board of directors of the
9 district.

10 (2) "Commission" means the Texas Natural Resource
11 Conservation Commission.

12 (3) "District" means the Town Center Improvement
13 District of Montgomery County, Texas.

14 (4) "Impact area" includes the territory inside the
15 corporate limits of the City of Shenandoah and the City of Oak
16 Ridge North, any other territory the board by resolution designates
17 as part of the impact area, and the unincorporated area that is
18 located:

19 (A) two miles or less from any point on the
20 district boundaries or one mile or less from the center line of
21 State Highway 242; and

22 (B) in the area subject to the authority of a
23 nonprofit property owners' association that is authorized to impose
24 assessments on the taxable value of property that:

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1 (i) is on a tax or assessment roll of a
2 local government; and

3 (ii) has had an aggregate assessed value,
4 before exemptions and abatements are accounted for, of more than
5 \$100 million for at least two consecutive tax years.

6 (5) "Improvement project" means any program or
7 project, whether individual, intermittent, or continuing and
8 whether located or conducted within or without the district, for
9 the planning, design, construction, acquisition, lease, rental,
10 installment purchase, improvement, provision of furnishings,
11 equipment, rehabilitation, repair, reconstruction, relocation, use,
12 management, operation, or maintenance of any works, improvements,
13 or facilities or the provision, support, enhancement, improvement,
14 extension, or expansion of services, whether provided to, for, by,
15 or on behalf of the district, necessary for the accomplishment of
16 the public purposes of the district, including:

17 (A) landscaping; lighting, banners, and signs;
18 streets or sidewalks; hike and bike paths and trails, pedestrian
19 walkways, skywalks, crosswalks, or tunnels; highway right-of-way or
20 transit corridor beautification and improvements; drainage or storm
21 water detention improvements; solid waste, water, sewer, or power
22 facilities and services, including but not limited to electrical,
23 gas, steam, and chilled water facilities; parks, lakes, gardens,
24 recreational facilities, open space, scenic areas, and related
25 exhibits and preserves; fountains, plazas, and pedestrian malls;
26 public art and sculpture and related exhibits and facilities;

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1 educational and cultural exhibits and facilities; conferences,
2 conventions, or exhibitions; manufacturer, consumer, or trade
3 shows; civic, community, or institutional events; exhibits,
4 displays, attractions, and facilities for special events, holidays,
5 and seasonal or cultural celebrations; off-street parking
6 facilities, bus terminals, heliports, mass-transit, and
7 roadway-borne or water-borne transportation and people-mover
8 systems; and any other public improvements, facilities, or services
9 similar to the foregoing;

10 (B) the removal, razing, demolition, or clearing
11 of land or improvements in connection with any improvement project;

12 (C) the acquisition of real or personal property
13 or any interest therein in connection with an authorized
14 improvement project provided that the district shall not have the
15 power of eminent domain; and

16 (D) any special or supplemental services for the
17 improvement and promotion of the district or adjacent areas or for
18 the protection of public health and safety within or adjacent to
19 the district, including but not limited to advertising, promotion,
20 tourism, health and sanitation, public safety, security, fire
21 protection and emergency medical services, business recruitment,
22 development, elimination of traffic congestion, and recreational,
23 educational, and cultural improvements, enhancements, and services.

24 SECTION 2. Section 7, Chapter 289, Acts of the 73rd
25 Legislature, Regular Session, 1993, is amended to read as follows:

26 Sec. 7. ADDITIONAL SPECIFIC POWERS AND DUTIES. (a) In

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1 addition to the general powers set forth in Section 6 of this Act,
2 the board has the powers provided by this section.

3 (b) The board may~~[,---subject---to---the---provisions---and~~
4 ~~limitations-hereinafter-set-forth:~~

5 [{+}] levy, assess, and apply the proceeds from the
6 [a] limited sales and use taxes authorized by Section 11 of this
7 Act [tax] for authorized [the-district's] purposes, provided that,
8 during each interval of three calendar years following the
9 commencement of collection of such tax, the board shall, consistent
10 with constitutional limitations and the district's authorized
11 powers and purposes, and in its sound discretion, endeavor to apply
12 an annual average of not less than 10 percent of the net proceeds
13 of the taxes collected under Section 11 of this Act ~~[such-tax~~
14 ~~collections]~~, after deduction of the general and administrative
15 costs and expenses of the district and the costs and expenses of
16 levying, assessing, and collecting such taxes, toward mitigation of
17 the net negative impact of development within the district on the
18 impact area ~~[adjacent-areas]~~, including without limitation effects
19 on public utilities and services, public transportation and traffic
20 movement, and scenic and aesthetic beauty. Direct expenditures
21 made for the district or the impact area are allocable to each area
22 for which the expenditure was made. Expenditures for the general
23 welfare, promotion, or benefit of the district and impact area are
24 allocable between the district and the impact area in the amount,
25 as determined by the board, that is proportionate to the benefit
26 conferred on each area.

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1 (c) The board may[~~1~~--~~(2)~~] borrow money for the corporate
 2 purposes of the district.

3 (d) The board may[~~1~~--~~(3)~~] add or exclude territory in the
 4 manner provided by Subchapter J, Chapter 49, and Section 54.016,
 5 Water Code, except that for purposes of this subsection, a
 6 reference in that section to a tax means an ad valorem tax only and
 7 Section 42.042, Local Government Code, and Section 54.016, Water
 8 Code, apply only with respect to the consent of a municipality with
 9 a population of 25,000 or less and do [shall] not apply to the
 10 annexation of land restricted primarily to commercial or business
 11 use.

12 (e) The board may[~~1~~--~~(4)~~] contract with any person or entity
 13 for the accomplishment of any of the district's purposes, including
 14 without limitation contracting for:

15 (1) [~~A~~] the payment, repayment, or reimbursement,
 16 out of tax proceeds or any other specified source of funds, of any
 17 costs and reasonable carrying costs incurred by that person for or
 18 on behalf of the district, including all or part of the costs of
 19 any improvement project; or

20 (2) [~~B~~] the use, occupancy, lease, rental,
 21 operation, maintenance, or management of all or part of a proposed
 22 or existing improvement project.

23 (f) The board may[~~1~~--~~(5)~~] make application for and contract
 24 with any person or entity to receive, administer, and perform the
 25 district's duties and obligations under any federal, state, local,
 26 or private gift, grant, loan, conveyance, transfer, bequest,

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1 donation, or other financial assistance arrangement relating to the
2 investigation, planning, analysis, study, design, acquisition,
3 construction, improvement, completion, implementation, or operation
4 by the district or others of a proposed or existing improvement
5 project.

6 (g) The board may[7--6] make, adopt, revise, repeal, amend,
7 promulgate, and enforce by ordinary civil remedies reasonable rules
8 and regulations for the administration and operation of the
9 district, the use, enjoyment, availability, protection, security,
10 and maintenance of the district's properties and facilities, and
11 providing for public safety and security within the district.

12 (h) The board may[7--7] establish, revise, repeal, enforce,
13 collect, and apply the proceeds from user fees, concessions,
14 admissions, rentals, or other similar fees or charges for the
15 enjoyment, sale, rental, or other use of the district's facilities,
16 services, properties, or improvement projects; however, because the
17 district is created in an area that is devoted primarily to
18 commercial and business activity, the district may not impose an
19 impact fee or assessment on a single family residential property or
20 a residential duplex, triplex, quadruplex, or condominium.

21 (i) The board may[7--8] provide or secure the payment or
22 repayment of the costs and expenses of the establishment,
23 administration, and operation of the district and the district's
24 costs or share of the costs of any improvement project, or district
25 contractual obligation or indebtedness, by or through a lease,
26 installment purchase contract, or other agreement with any person

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1 or the levy and assessment of taxes, user fees, concessions,
2 rentals, or other revenues or resources of the district.

3 (j) The board may~~(7--9)~~ undertake separately or jointly
4 with other persons or entities and pay all or part of the cost of
5 improvement projects, including improvement projects for improving,
6 enhancing, and supporting public safety and security, fire
7 protection and emergency medical services, and law enforcement
8 within and adjacent to the district and improvement projects that
9 confer a general benefit on the entire district and the areas
10 adjacent thereto or a special benefit on a definable part of the
11 district, which may be the entire district or any part thereof.

12 (k) The~~(7--however,--the)~~ district may not ~~[shall not be~~
13 ~~authorized to]~~ employ peace officers, but may contract for off-duty
14 peace officers to provide public safety and security services in
15 connection with a special event, holiday, period with high traffic
16 congestion, or similar circumstance.

17 (l) The board may~~(7--and--10)~~ impose, collect, and apply the
18 proceeds from a hotel occupancy tax as provided by Sections 11A and
19 11B of this Act.

20 (m) The board may exercise the economic development powers
21 and authority that Chapter 380, Local Government Code, and Article
22 835s, Revised Statutes, provide a municipality with a population of
23 more than 100,000.

24 (n) The board by rule may regulate the private use of public
25 roadways, open spaces, parks, sidewalks, and similar public areas.
26 To the extent the rules of the district conflict with a rule,

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1 order, ordinance, or regulation of a county or municipality with
2 jurisdiction in the district's territory, the rule, order,
3 ordinance, or regulation of the county or municipality controls.
4 The rules may provide for the safe and orderly use of public
5 roadways, open spaces, parks, sidewalks, and similar public areas
6 or facilities.

7 (o) The board may require a permit for a parade,
8 demonstration, celebration, entertainment event, or similar
9 nongovernmental activity in or on the public roadways, open spaces,
10 parks, sidewalks, and similar public areas or facilities. The
11 board may charge a fee for the permit application and for public
12 safety or security services in an amount the board considers
13 necessary.

14 (p) The board may require a permit or franchise agreement
15 with a vendor, concessionaire, exhibitor, or similar private or
16 commercial person or organization for the limited use of the area
17 or facilities on terms and conditions and on payment of a permit or
18 franchise fee the board may impose.

19 (q) The board may employ and establish the terms of
20 employment and compensation of a president, vice president,
21 executive director, general manager, and any other operating
22 officer of the district the board considers necessary.

23 SECTION 3. Subsections (a), (b), (c), (d), (e), and (g),
24 Section 8, Chapter 289, Acts of the 73rd Legislature, Regular
25 Session, 1993, are amended to read as follows:

26 (a) The district is governed by a board composed of 11

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1 directors elected or appointed as provided by Subsection (c) of
2 this section. Directors [~~of-eight-directors-who-shall~~] serve [~~for~~]
3 staggered terms of four years.

4 (b)(1) Except as otherwise provided by [~~Subdivisions-(2)-and~~
5 ~~(3)--of~~] this subsection, to be qualified to serve as a director, a
6 person must be at least 18 years old and be:

7 (A) a resident of the district;

8 (B) an individual owner of real property in the
9 district;

10 (C) an individual owner, whether beneficial or
11 otherwise, of at least 10 percent of the outstanding stock of a
12 corporate owner of real property in the district or of a corporate
13 lessee of real property in the district with an original lease term
14 of five years or more, excluding options;

15 (D) an individual owner of at least 10 percent
16 of the beneficial interest in a trust that:

17 (i) owns real property in the district; or

18 (ii) leases real property in the district
19 under an original lease term of five years or more, excluding
20 options;

21 (E) an individual lessee of real property in the
22 district under an original lease term of five years or more,
23 excluding options;

24 (F) an individual owner of at least 10 percent
25 of the outstanding interest in a general or limited partnership
26 that:

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1 (i) owns real property in the district; or
 2 (ii) leases real property in the district
 3 under an original lease term of five years or more, excluding
 4 options; or

5 (G) an individual agent, employee, officer, or
 6 director of any individual, corporation, trust, or partnership that
 7 owns or leases real property described by Paragraph (B), (C), (D),
 8 (E), or (F) of this subdivision who is designated by such owner or
 9 lessee to serve in that capacity.

10 (2) To be eligible for appointment under Subsection
 11 (c)(1) [(c)(1)(F)] or (2) [(G)] of this section, a person must be a
 12 resident of the city making the appointment.

13 (3) To be eligible for appointment under Subsection
 14 (c)(3) of this section, a person must be a resident described by
 15 Subdivision (1) of this subsection and a resident of any county
 16 commissioners precinct that includes all or any portion of the
 17 boundaries of the district or impact area.

18 (4) To be eligible for appointment under Subsection
 19 (c)(4) [(c)(4)(H)] of this section, a person must be a member of
 20 The Woodlands Community Association, Inc.

21 (5) To be eligible for appointment under Subsection
 22 (c)(5) of this section, a person must be a member of The Woodlands
 23 Association, Inc.

24 (6) To be eligible for appointment under Subsection
 25 (c)(6) of this section, a person must be a member of The Woodlands
 26 Commercial Owners Association.

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1 (7) Notwithstanding any other provision of this
2 subsection, not more than three members of the board at any time
3 may be agents, employees, officers, or directors of a single
4 individual, corporation, trust, or partnership that owns or leases
5 real property described by Subdivision (1)(B), (C), (D), (E), or
6 (F) of this subsection, regardless of whether the member is elected
7 or appointed under this section. Any person filing a ballot or
8 write-in candidate's application or any person who is to be
9 appointed to the board, whose election or appointment, at the time
10 of filing or appointment, would cause the limitation of this
11 subdivision to be violated, is ineligible for election or
12 appointment.

13 (c) The board of directors is composed of:

14 (1) [(c)(1)]--On the effective date of this Act, the
15 following persons shall constitute the initial board and shall
16 serve as provided in this Act:

17 [(A)]--Vicki D. Armstrong;

18 [(B)]--Roger E. Galatas;

19 [(C)]--R. A. Kutsche;

20 [(D)]--Michael H. Richmond;

21 [(E)]--Bruce M. Withers, Jr.;

22 [(F)] one individual appointed by the city
23 council of the City of Oak Ridge North;

24 (2) [(6)] one individual appointed by the city council
25 of the City of Shenandoah;

26 (3) one individual appointed by the commissioners

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1 court of the county in which the majority of the district's
 2 territory is located;

3 (4) [and-{H}] one individual appointed by the board of
 4 directors of The Woodlands Community Association, Inc.;

5 (5) one individual appointed by the board of directors
 6 of The Woodlands Association, Inc.;

7 (6) one individual appointed by the board of directors
 8 of The Woodlands Commercial Owners Association; and

9 (7) five individuals elected by the voters of the
 10 district at large.

11 [~~{2}--If one or more of the initial directors listed in~~
 12 ~~this subsection fails to qualify for office within 90 days after~~
 13 ~~the effective date of this Act, the remaining directors shall~~
 14 ~~appoint qualified persons to fill the vacancies for the unexpired~~
 15 ~~terms.]~~

16 (d) Directors [~~Of the initial directors, four shall~~] serve
 17 until [~~the first Saturday in May, 1994, or until~~] their successors
 18 have been elected or appointed and have qualified[, ~~and four shall~~
 19 ~~serve until the first Saturday in May, 1996, or until their~~
 20 ~~successors have been elected or appointed and have qualified. The~~
 21 ~~board shall determine the terms of the initial directors by mutual~~
 22 ~~agreement or by lot].~~

23 (e) A vacancy in the office of director shall be filled by
 24 appointment of a qualified individual by a majority vote of the
 25 remaining directors, except that if the number of directors for any
 26 reason is less than six [~~five~~], on petition of a resident of or

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owner of real property in the district, the commission shall appoint the required number of qualified individuals to fill the vacancies. The board may remove a director for misconduct or failure to carry out the director's duties by unanimous vote of all of the remaining directors.

(g) After directors have been appointed or elected and have qualified by executing a bond and taking the proper oath, they shall organize or reorganize by electing a chairman [president], a vice chairman [vice-president], a secretary, and any other officers of the board as [in--the-judgment-of] the board considers [are] necessary.

SECTION 4. Subsections (e) and (i), Section 11, Chapter 289, Acts of the 73rd Legislature, Regular Session, 1993, are amended to read as follows:

(e) A tax imposed under this Act or the repeal or reduction of a tax under this Act takes effect on the first day of the [October-1-after-the-expiration-of--the--first--complete] calendar quarter occurring after the date on which the comptroller receives the notice required by Subsection (b), Section 323.405, Tax Code, or Subsection (i) of this section.

(i) Within 10 days after the annexation or exclusion of territory by the district [or-the-annexation-of-all-or-part-of--the-territory--of--the-district-by-a-municipality-requiring-a-reduction-of-the-district's-sales-and-use-tax, as provided in Subsection--(h) of-this-section], the board shall send to the comptroller by United States certified or registered mail certified copies of all

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1 resolutions or[7] orders[7--or--ordinances] pertaining to such
2 events.

3 SECTION 5. Chapter 289, Acts of the 73rd Legislature,
4 Regular Session, 1993, is amended by adding Section 11C to read as
5 follows:

6 Sec. 11C. ECONOMIC DEVELOPMENT ZONES. (a) As used in this
7 section:

8 (1) "Development zone" means an economic development
9 zone created by the district under this section.

10 (2) "Governing body" means the board of directors of a
11 development zone.

12 (3) "Initial development" means the first buildings,
13 structures, and improvements on a parcel or tract included in a
14 development zone. The term does not include a street, utility, or
15 off-site facility or service.

16 (4) "Substantial redevelopment" includes an expansion,
17 enlargement, replacement, and relocation of a building,
18 improvement, and facility located in a development zone. The term
19 does not include an improvement, modification, or rehabilitation of
20 a building, improvement, or facility that has been in existence for
21 less than 10 years.

22 (b) The board, on its own motion or on receipt of a petition
23 signed by the owners of all real property in a defined area of the
24 district, by resolution may create, designate, describe, assign a
25 name to, and appoint the governing body for a development zone in
26 the district to promote initial development or substantial

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1 redevelopment of the area, if the board finds that the creation of
2 the zone will further the public purposes of:

3 (1) the development and diversification of the economy
4 of the district and the state;

5 (2) the elimination of unemployment or underemployment
6 in the district and the state;

7 (3) the development or expansion of transportation or
8 commerce in the district and the state; or

9 (4) the promotion and stimulation of business,
10 commercial, and economic activity in the district and the state.

11 (c) Before designating a development zone, the board must
12 prepare a preliminary financing plan for the zone that includes:

13 (1) estimated project costs, including administrative
14 expenses;

15 (2) a list of the kind, number, and location of all
16 proposed improvement projects in the zone;

17 (3) the estimated amount of bonded indebtedness to be
18 incurred;

19 (4) a description of the methods of financing and
20 expected sources of revenue to pay for the costs of proposed
21 improvement projects; and

22 (5) the projected duration of the zone.

23 (d) Before designating a development zone on its own motion
24 or, if ad valorem taxes are to be used, in whole or in part, for
25 the payment of improvement project costs in a development zone to
26 be designated in response to a landowner petition, the board shall

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1 call and hold a public hearing on the creation of the zone in the
 2 manner provided by Section 311.003, Tax Code, for reinvestment
 3 zones designated by a municipality.

4 (e) A development zone may not be created if more than 10
 5 percent of the property in the proposed zone, other than property
 6 that is publicly owned, is used or planned for use for residential
 7 purposes. For purposes of this subsection, property is used for
 8 residential purposes if the property is occupied by a house that
 9 has fewer than five living units.

10 (f) A resolution designating an area as a development zone
 11 must:

12 (1) describe the boundaries of the zone sufficiently
 13 to identify with reasonable certainty the territory included;

14 (2) provide an effective date for the creation of the
 15 zone;

16 (3) provide a date for termination of the zone;

17 (4) assign a name to the zone for identification;

18 (5) adopt a preliminary financing plan for the zone;

19 (6) establish a tax increment fund for the zone; and

20 (7) appoint the governing body for the zone or
 21 authorize the board to serve ex officio as the governing body of
 22 the zone.

23 (g) Members of the governing body shall be appointed for a
 24 term of two years, except that the appointment of the initial
 25 members of the governing body may provide for some terms to be
 26 limited to one year in order to achieve staggered terms of office.

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1 The district by appointment shall fill a vacancy on the governing
2 body of the zone for the unexpired portion of the term.

3 (h) A member of a governing body must be at least 18 years
4 of age, a citizen of the state, and a person described in
5 Subsection (b) of Section 8 of this Act. A member of the board of
6 directors of the district may be appointed to the governing body.
7 Each member must qualify for office by subscribing to the
8 constitutional oath of office for public officers and furnishing a
9 fidelity bond issued by a responsible surety in the amount of
10 \$10,000 in favor of the development zone to secure faithful
11 performance of the member's duties.

12 (i) Following appointment and qualification, the governing
13 body of the development zone shall meet and organize by electing a
14 president, a vice president, a secretary-treasurer, and other
15 officers the governing body considers appropriate.

16 (j) The boundaries of a development zone may be reduced or
17 enlarged in the manner provided by this section for creation of a
18 zone.

19 (k) A development zone created by the district under this
20 section is a body politic and corporate and a political subdivision
21 of the state, separate from the district. The district and the
22 development zone have the same power and authority to carry out
23 this section as Section 311.008, Tax Code, provides a municipality
24 to carry out Chapter 311, Tax Code. In addition to the powers
25 granted to the governing body by this section, the board by order
26 may delegate, subject in whole or in part to final approval by the

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1 board, any powers and duties relating to the financing and
2 implementation of the project plan for the zone, including the
3 power and authority to:

4 (1) issue tax increment bonds or notes for and in the
5 name of the zone in the same manner as Section 311.010, Tax Code,
6 provides for a municipality, except that tax increment bonds or
7 notes of the zone must mature in not more than 30 years;

8 (2) pledge irrevocably all or part of the tax
9 increment fund for the zone, as Section 311.015, Tax Code, provides
10 for a municipality; and

11 (3) impose, assess, and collect ad valorem taxes,
12 assessments, and other charges in the zone, as Chapter 375, Local
13 Government Code, provides for municipal management districts, as
14 well as the incremental sales and use tax authorized by this
15 section, if the ad valorem tax or incremental sales and use tax has
16 been approved by the qualified voters of the district at an
17 election called and held for that purpose.

18 (1) The board and the governing body each may enter into an
19 agreement considered necessary or convenient to implement a project
20 plan and development zone financing plan and achieve their
21 purposes. An agreement may provide for the regulation or
22 restriction of the use of land by imposing conditions,
23 restrictions, or covenants that run with the land. An agreement
24 may dedicate revenue from the tax increment fund to pay project
25 costs and may provide that a restriction adopted by the governing
26 body continues in effect after the termination of the development

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1 zone. The district and the development zone may agree that the
2 district will provide administration, management, investment,
3 accounting, and other services for the zone in consideration for
4 the benefits received by the district through the implementation of
5 the project plan for the zone.

6 (m) Subject to approval by resolution of the board, the
7 governing body shall prepare and adopt, and may amend, a project
8 plan and a development zone financing plan for the development zone
9 containing generally the information and estimates described by
10 Section 311.011, Tax Code, with respect to reinvestment zones,
11 together with an estimate of total and incremental sales and use
12 taxes to be derived from the zone. If a plan amendment reduces or
13 increases the geographic area of the zone, increases the amount of
14 bonded indebtedness to be incurred, creates or changes a tax
15 increment to be contributed by a taxing unit, or increases the
16 total estimated project costs, the amendment may be adopted only
17 after a public hearing meeting the procedural requirements of this
18 section for a meeting on the creation of a development zone has
19 been held.

20 (n) If the financing plan adopted by the governing body of
21 the development zone uses ad valorem taxes, in whole or in part,
22 for payment of project costs, the provisions of Sections 311.012
23 and 311.013, Tax Code, shall apply to the development zone as if
24 the zone were a taxing unit under those sections and to the
25 governing body of the zone as if the governing body were the
26 governing body of a taxing unit under those sections.

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1 (o) If approved at an election by a majority of the
2 qualified voters voting in an election called and held for that
3 purpose, the district may adopt or repeal for the use and benefit
4 of one or more development zones created by the district before or
5 after the election an incremental sales and use tax of not more
6 than one percent. An election on the adoption or repeal of the
7 maximum rate of incremental sales and use tax may be called and
8 held by the board as provided by Section 11 of this Act for an
9 election on the adoption of the limited sales and use tax
10 authorized by Section 11 of this Act. After adoption at an
11 election, to the extent the district has delegated the authority to
12 the zone, the governing body may impose, assess, and collect all or
13 any portion of the incremental sales and use tax, in increments of
14 not less than one-eighth of one percent, for the benefit of the
15 zone, by order of the governing body. The incremental sales and
16 use tax is in addition to the limited sales and use tax authorized
17 and imposed, assessed, and collected by the district under Section
18 11 of this Act. The incremental sales and use tax becomes
19 effective on the first day of the calendar quarter following the
20 date the comptroller receives written notice of the imposition of
21 the tax and shall be paid into the tax increment fund for the
22 development zone.

23 (p) Sections 311.002 and 311.014 through 311.017, Tax Code,
24 apply to the district, except that for purposes of this subsection:

25 (1) a reference in those sections to a municipality
26 means the district and the development zone;

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1 (2) a reference in those sections to an ordinance
2 means an order;

3 (3) a reference in those sections to a reinvestment
4 zone means a development zone;

5 (4) a reference in those sections to an agreement made
6 under Subsection (b), Section 311.010, Tax Code, means an agreement
7 made under Subsection (1) of this section;

8 (5) "development" means initial development;

9 (6) "redevelopment" means substantial redevelopment;
10 and

11 (7) Section 311.016, Tax Code, applies only if ad
12 valorem taxes are used, in whole or in part, in payment of project
13 costs of a development zone.

14 SECTION 6. Subsections (a) and (c), Section 12A, Chapter
15 289, Acts of the 73rd Legislature, Regular Session, 1993, are
16 amended to read as follows:

17 (a) The board may issue bonds of the district in the manner
18 provided by Subchapter J, Chapter 375, Local Government Code.
19 Sections 375.207 and 375.208, Local Government Code, do not apply
20 to bonds issued by the district under this Act [~~section~~].

21 (c) In addition to the sources of money described by
22 Subchapter J, Chapter 375, Local Government Code, the bonds of the
23 district may be secured and made payable, wholly or partly, by a
24 pledge of any part of the net proceeds the district receives from:

25 (1) a specified portion, but not more than one-half of
26 one percent, of the sales and use tax authorized by Section 11 of

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1 this Act; and

2 (2) the hotel occupancy tax authorized by Section 11A
3 of this Act[~~and~~

4 [~~{3}--repayments---the---district---receives---from---a~~
5 ~~municipality--because--of--a--required--reduction-of-the-district's~~
6 ~~sales-and-use-tax~~].

7 SECTION 7. Section 13, Chapter 289, Acts of the 73rd
8 Legislature, Regular Session, 1993, is amended to read as follows:

9 Sec. 13. CONTRACTS WITH DISTRICT. (a) The district is
10 authorized to contract with a city, county, other political
11 subdivision, corporation, or other persons to carry out the
12 purposes of this Act on such terms and conditions and for such
13 period of time as the board may determine. A state agency, city,
14 county, other political subdivision, corporation, individual, or
15 other entity may contract with the district to carry out the
16 purposes of this Act without any further authorization,
17 notwithstanding any other law or charter provision to the contrary.

18 (b) The district and a municipality any part of which is
19 located in the boundaries of the district or impact area may enter
20 into and carry out an interlocal agreement for the accomplishment
21 of an improvement project or the provision of a facility, a
22 service, or equipment by the district in or for the benefit of the
23 municipality. Notwithstanding any other law, payment for the
24 improvement project, facility, service, or equipment may be made or
25 pledged by the municipality to the district out of any money the
26 municipality collects under Chapter 351, Tax Code, or out of any

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1 other available money.

2 SECTION 8. Subsection (h), Section 11, Chapter 289, Acts of
3 the 73rd Legislature, Regular Session, 1993, is repealed.

4 SECTION 9. The additional directors of the Town Center
5 Improvement District of Montgomery County, Texas, provided by
6 Section 8, Chapter 289, Acts of the 73rd Legislature, Regular
7 Session, 1993, as amended by this Act, shall be appointed as
8 provided by that section as soon as practicable after the effective
9 date of this Act. One of the additional directors shall serve for
10 a term ending on the first Saturday in May, 2000, and the other two
11 additional directors shall serve for a term ending on the first
12 Saturday in May, 2002, as determined by the board of directors of
13 the Town Center Improvement District of Montgomery County, Texas,
14 by lot or by mutual agreement. Nothing in this Act affects the
15 terms of office of the existing directors.

16 SECTION 10. (a) The proper and legal notice of the
17 intention to introduce this Act, setting forth the general
18 substance of this Act, has been published as provided by law, and
19 the notice and a copy of this Act have been furnished to all
20 persons, agencies, officials, or entities to which they are
21 required to be furnished by the constitution and other laws of this
22 state, including the governor, who has submitted the notice and Act
23 to the Texas Natural Resource Conservation Commission.

24 (b) The Texas Natural Resource Conservation Commission has
25 filed its recommendations relating to this Act with the governor,
26 lieutenant governor, and speaker of the house of representatives

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1 within the required time.

2 (c) All requirements of the constitution and laws of this
3 state and the rules and procedures of the legislature with respect
4 to the notice, introduction, and passage of this Act are fulfilled
5 and accomplished.

6 SECTION 11. The importance of this legislation and the
7 crowded condition of the calendars in both houses create an
8 emergency and an imperative public necessity that the
9 constitutional rule requiring bills to be read on three several
10 days in each house be suspended, and this rule is hereby suspended,
11 and that this Act take effect and be in force from and after its
12 passage, and it is so enacted.

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Rick Perry
President of the Senate

Pete Laney
Speaker of the House

I hereby certify that S.B. No. 1807 passed the Senate on April 29, 1999, by the following vote: Yeas 30, Nays 0.

Lucy King
Secretary of the Senate

I hereby certify that S.B. No. 1807 passed the House on May 25, 1999, by the following vote: Yeas 145, Nays 0, two present not voting.

Sharon Carter
Chief Clerk of the House

Approved:

6-19-99
Date
By [Signature]
Governor

FILED IN THE OFFICE OF THE
SECRETARY OF STATE
8:30 pm O'CLOCK

[Signature]
JUN 19 1999
Secretary of State



The State of Texas
Secretary of State

I, ROGER WILLIAMS, Secretary of State of the State of Texas, DO HEREBY CERTIFY that the attached is a true and correct copy of Senate Bill Number 1353, passed by the 79th Legislature, Regular Session, 2005, as signed by the Governor on June 17, 2005, and filed in this office on June 17, 2005.

Date issued: August 12, 2005

A handwritten signature in black ink that reads "Roger Williams".

Roger Williams
Secretary of State



ST/lis

CHAPTER 373

S.B. No. 1353

AN ACT

relating to the powers and duties of the Town Center Improvement District of Montgomery County, Texas, and of governmental entities and peace officers that interact with the district; providing a penalty.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

SECTION 1. Subsections (k), (n), and (p), Section 7, Chapter 289, Acts of the 73rd Legislature, Regular Session, 1993, are amended to read as follows:

(k) The district may not employ peace officers, but may contract with:

(1) a county or municipality that has territory wholly or partly in or contiguous to the district's territory or impact area for the county or municipality to provide law enforcement services by any lawful means for the district, including a warrantless arrest, to the same extent and with the same effect as if the district were authorized to employ its own peace officers directly; and

(2) [for] off-duty peace officers directly to provide public safety and security services in connection with a special event, holiday, period with high traffic congestion, or similar circumstance.

(n) The board by rule may regulate the public or private use of public roadways, open spaces, parks, sidewalks, and similar

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1 public areas or facilities to provide for the safe and orderly use
 2 of these places. [~~To the extent the rules of the district conflict~~
 3 ~~with a rule, order, ordinance, or regulation of a county or~~
 4 ~~municipality with jurisdiction in the district's territory, the~~
 5 ~~rule, order, ordinance, or regulation of the county or municipality~~
 6 ~~controls. The rules may provide for the safe and orderly use of~~
 7 ~~public roadways, open spaces, parks, sidewalks, and similar public~~
 8 ~~areas or facilities.]~~

9 (p) The board may require a permit or franchise agreement
 10 with a vendor, concessionaire, exhibitor, or similar private or
 11 commercial person or organization for the limited use of the public
 12 roadways, open spaces, parks, sidewalks, and similar public areas
 13 [area] or facilities on terms and conditions and on payment of a
 14 permit or franchise fee the board may impose.

15 SECTION 2. Chapter 289, Acts of the 73rd Legislature,
 16 Regular Session, 1993, is amended by adding Sections 7A, 7B, 7C, 7D,
 17 and 7E to read as follows:

18 Sec. 7A. REGULATION OF DISTRICT REAL PROPERTY. The board
 19 may prohibit, restrict, permit, or otherwise regulate, on terms and
 20 conditions deemed advisable, private or public use of district
 21 property, including any real property in which the district has an
 22 interest, to the extent the instrument that establishes the real
 23 property interest does not prohibit the prohibition, restriction,
 24 permit, or other regulation.

25 Sec. 7B. HEARING REQUIRED FOR CERTAIN RULES. A board rule
 26 adopted under Section 7(n), (o), or (p) or Section 7A of this Act
 27 may be adopted only after a public hearing held in the district.

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1 Sec. 7C. CONFLICT BETWEEN DISTRICT RULE AND OTHER LOCAL
2 REGULATIONS. To the extent a district rule conflicts with a rule,
3 order, ordinance, or regulation of a county or municipality with
4 jurisdiction in the district's territory or impact area, the rule,
5 order, ordinance, or regulation of the county or municipality
6 controls.

7 Sec. 7D. ENFORCEMENT OF DISTRICT RULES. (a) The board may
8 adopt rules that provide for the enforcement of a district rule,
9 including rules prescribing:

10 (1) the elements of a criminal offense for violating a
11 district rule; and

12 (2) the punishment for an offense prescribed under
13 Subdivision (1) of this subsection in accordance with the maximum
14 finest or penalties provided for the enforcement and punishment of a
15 municipal rule, ordinance, or police regulation under Section
16 54.001, Local Government Code.

17 (b) The justice court in the precinct where the offense is
18 committed has jurisdiction over offenses prescribed under this
19 section. The offense shall be prosecuted in the same manner as
20 similar classes of criminal offenses in the justice court's
21 jurisdiction.

22 (c) A justice court shall remit to the county any fine or
23 other penalty the justice court collects for a violation of a
24 district rule in the same manner as a similar fine or penalty
25 imposed for a violation of a state law.

26 Sec. 7E. JURISDICTION OF PEACE OFFICER. A peace officer who
27 has jurisdiction by any means, including by geography, other law,

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1 or interlocal contract between the district and another
2 governmental entity, is authorized to preserve the peace in the
3 officer's jurisdiction by any lawful means, including the
4 prevention and suppression of an offense prescribed by the district
5 under Section 7D of this Act.

6 SECTION 3. Subsection (j), Section 11, Chapter 289, Acts of
7 the 73rd Legislature, Regular Session, 1993, is amended to read as
8 follows:

9 (j) The district and each economic development zone created
10 by the district is entitled to examine and receive information
11 related to the levy, assessment, and collection of sales and use
12 taxes to the same extent as if the district or economic development
13 zone were a municipality.

14 SECTION 4. Chapter 289, Acts of the 73rd Legislature,
15 Regular Session, 1993, is amended by adding Section 13A to read as
16 follows:

17 Sec. 13A. COMPETITIVE BIDDING. The district is not
18 required to seek a competitive bid or proposal for construction
19 work or for the purchase of material or equipment for an expenditure
20 of \$25,000 or less.

21 SECTION 5. Section 13A, Chapter 289, Acts of the 73rd
22 Legislature, Regular Session, 1993, as added by this Act, applies
23 only to a contract for which the Town Center Improvement District of
24 Montgomery County, Texas, first advertises or otherwise solicits
25 bids, proposals, offers, or qualifications on or after the
26 effective date of this Act. A contract for which the district first
27 advertised or otherwise solicited bids, proposals, offers, or

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1 qualifications before that date is governed by the law in effect
2 when the first advertisement or solicitation was given, and the
3 former law is continued in effect for that purpose.

4 SECTION 6. This Act takes effect immediately if it receives
5 a vote of two-thirds of all the members elected to each house, as
6 provided by Section 39, Article III, Texas Constitution. If this
7 Act does not receive the vote necessary for immediate effect, this
8 Act takes effect September 1, 2005.

David Bushhurst
President of the Senate

Tom Craddick
Speaker of the House

I hereby certify that S.B. No. 1353 passed the Senate on
April 21, 2005, by the following vote: Yeas 31, Nays 0. _____

Latsy Spaw
Secretary of the Senate

I hereby certify that S.B. No. 1353 passed the House on
May 25, 2005, by the following vote: Yeas 144, Nays 0, two
present not voting. _____

Robert Haney
Chief Clerk of the House

Approved:

17 JUNE '05
Date

Rick Perry
Governor

FILED IN THE OFFICE OF THE
SECRETARY OF STATE
9:20 AM '05

JUN 17 2005

Roger Williams
Secretary of State



The State of Texas
Secretary of State

I, PHIL WILSON, Secretary of State of the State of Texas, DO
HEREBY CERTIFY that the attached is a TRUE AND CORRECT copy of
Senate Bill 1012, as passed by the 80th Legislature, Regular Session, of the State
of Texas, as signed by the Governor on May 14, 2007, and as filed in this office
on May 14, 2007.

Date Issued: July 12, 2007
PW/SDS/la

A handwritten signature in cursive script that reads "Phil Wilson".

Phil Wilson
Secretary of State



Chapter 88

S.B. No. 1012

1 AN ACT

2 relating to the establishment of regional participation agreements
3 between certain municipalities and districts; authorizing the
4 issuance of bonds.

5 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

6 SECTION 1. Subchapter D, Chapter 43, Local Government Code,
7 is amended by adding Section 43.0754 to read as follows:

8 Sec. 43.0754. REGIONAL PARTICIPATION AGREEMENTS. (a) In
9 this section:

10 (1) "District" means a political subdivision created
11 by general or special law that has the powers of a municipal
12 management district under Chapter 375 and a conservation and
13 reclamation district under Chapters 49 and 54, Water Code, a
14 majority by area of the territory of which is located within a
15 planned community and within the extraterritorial jurisdiction of
16 one or more municipalities.

17 (2) "Eligible municipality" means a municipality:

18 (A) that has a population of 1.5 million or more
19 and that includes in its extraterritorial jurisdiction at least 90
20 percent by area of the territory of a district; or

21 (B) that includes in its extraterritorial
22 jurisdiction not more than 10 percent of the territory of a district
23 that has entered into a regional participation agreement with
24 another eligible municipality under this section.

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1 (3) "Party" means a district, eligible municipality,
2 or person that is a party to a regional participation agreement
3 approved and entered into under this section.

4 (4) "Planned community" means a planned community of
5 20 square miles or more with a population of 50,000 or more that is
6 subject in whole or in part to a restrictive covenant that contains
7 an ad valorem-based assessment on real property used or to be used,
8 in any part, to fund governmental or quasi-governmental services
9 and facilities within and for the planned community.

10 (5) "Regional participation agreement" means a
11 contract or agreement entered into under this section or in
12 anticipation of the enactment of this section and any amendment,
13 modification, supplement, addition, renewal, or extension to or of
14 the contract or agreement or any proceeding relating to the
15 contract or agreement.

16 (b) Notwithstanding any contrary law or municipal charter
17 provision, the governing body of an eligible municipality, the
18 governing body of a district, and, if applicable, a person may
19 approve and authorize execution and performance of a regional
20 participation agreement to further regional participation in the
21 funding of eligible programs or projects. A regional participation
22 agreement must include as parties at least one eligible
23 municipality and one district and may include as parties other
24 eligible municipalities, districts, or persons.

25 (c) A regional participation agreement may provide or allow
26 for:

27 (1) the establishment, administration, use,

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1 investment, and application of a regional participation fund, which
2 shall be a special fund or escrow account to be used solely for
3 funding the costs and expenses of eligible programs or projects;

4 (2) payments to be made by a party into the regional
5 participation fund for application, currently or in the future,
6 toward eligible programs or projects;

7 (3) the methods and procedures by which eligible
8 programs or projects are prioritized, identified, and selected for
9 implementation and are planned, designed, bid, constructed,
10 administered, inspected, and completed;

11 (4) the methods and procedures for accounting for
12 amounts on deposit in, to the credit of, or expended from the
13 regional participation fund, as well as any related investment
14 income or amounts due and owing to or from any party to the fund;

15 (5) credits against payments otherwise due by any
16 party under the agreement resulting from taxes, charges, fees,
17 assessments, tolls, or other payments in support of or related to
18 the usage or costs of eligible programs or projects that are levied
19 or imposed upon, assessed against, or made applicable to a party or
20 its citizens, ratepayers, taxpayers, or constituents after the
21 effective date of the agreement;

22 (6) any type of annexation of any part of the territory
23 of a district to be deferred by an eligible municipality that is a
24 party for a mutually agreeable period;

25 (7) the release of all or part of the territory of a
26 district from the extraterritorial jurisdiction of an eligible
27 municipality that is a party at a specified time or upon the

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1 occurrence of specified events;

2 (8) the consent of an eligible municipality that is a
3 party to the incorporation of, or the adoption of an alternate form
4 of government by, all or part of the territory of a district at a
5 specified time or upon the occurrence of specified events;

6 (9) remedies for breach of the agreement;

7 (10) the modification, amendment, renewal, extension,
8 or termination of the agreement;

9 (11) other districts, eligible municipalities, or
10 persons to join the agreement as a party at any time;

11 (12) third-party beneficiaries to be specifically
12 designated and conferred rights or remedies under the agreement;

13 (13) the duration of the agreement, including an
14 unlimited term;

15 (14) the creation and administration of a nonprofit
16 corporation, joint powers agency, local government corporation, or
17 other agency for the purpose of administration and management of a
18 regional participation fund, program, or project under the
19 agreement; and

20 (15) any other provision or term to which the parties
21 agree.

22 (d) A regional participation agreement may provide for the
23 funding of any program or project, whether individual,
24 intermittent, or continuing and whether located or conducted within
25 or outside the boundaries of a party, for the planning, design,
26 construction, acquisition, lease, rental, installment purchase,
27 improvement, provision of furnishings or equipment,

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1 rehabilitation, repair, reconstruction, relocation, preservation,
2 beautification, use, execution, administration, management,
3 operation, or maintenance of any works, improvements, or
4 facilities, or for providing any functions or services, whether
5 provided to, for, by, or on behalf of a party, that provide a
6 material benefit to each party in the accomplishment of the
7 purposes of each party, related to:

8 (1) mobility or transportation, including mass
9 transportation, traffic circulation, or ground, air, rail, water,
10 or other means of transportation or movement of people, freight,
11 goods, or materials;

12 (2) health care treatment, research, teaching, or
13 education facilities or infrastructure;

14 (3) parks or recreation, open space, and scenic,
15 wildlife, wetlands, or wilderness areas;

16 (4) public assembly or shelter, including halls,
17 arenas, stadiums or similar facilities for sporting events,
18 exhibitions, conventions, or other mass assembly purposes;

19 (5) environmental preservation or enhancement,
20 including air or water quality protection, improvement,
21 preservation, or enhancement, and noise abatement;

22 (6) the supply, conservation, transportation,
23 treatment, disposal, or reuse of water or wastewater;

24 (7) drainage, stormwater management or detention, and
25 flood control or prevention;

26 (8) solid waste collection, transfer, processing,
27 reuse, resale, disposal, and management; or

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1 (9) public safety and security, including law
2 enforcement, firefighting and fire prevention, emergency services
3 and facilities, and homeland security.

4 (e) A regional participation agreement must be:

5 (1) in writing;

6 (2) approved by the governing body of each eligible
7 municipality or district that is or that becomes a party to the
8 agreement; and

9 (3) must be recorded in the deed records of any county
10 in which is located any territory of a district that is or that
11 becomes a party to the agreement.

12 (f) A district, eligible municipality, or person may join or
13 become a party to a regional participation agreement in the manner
14 authorized in the agreement.

15 (g) A regional participation agreement is not required to
16 describe the land contained within the boundaries of a district
17 that is a party to the agreement.

18 (h) A regional participation agreement binds each party to
19 the agreement for the term specified in the agreement and each owner
20 and future owner of land that is subject to the agreement during any
21 annexation deferral period established in the agreement. If a
22 party, land, or landowner is excluded or removed from an agreement,
23 the removal or exclusion is effective on the recordation of the
24 amendment, supplement, modification, or restatement of the
25 agreement implementing the removal or exclusion.

26 (i) A regional participation agreement may not require a
27 district to make payments from any funds that are restricted,

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1 encumbered, or pledged for the payment of contractual obligations
2 or indebtedness of the district. Otherwise, any party may commit or
3 pledge or may issue bonds payable from or secured by a pledge of any
4 available source of funds, including unencumbered sales and use
5 taxes, to make payments due or to become due under an agreement.

6 (j) Notwithstanding any other law, a program or project to
7 be funded and any bonds to be issued by a district to make payments
8 under a regional participation agreement are not subject to review
9 or approval by the Texas Commission on Environmental Quality.

10 (k) A regional participation agreement and any action taken
11 under the agreement are not subject to any method of approval or
12 appeal under the Water Code.

13 (l) After due authorization, execution, delivery, and
14 recordation as provided by this section, a regional participation
15 agreement, including any related amendment, supplement,
16 modification, or restatement, and a pledge of funds to make
17 payments under an agreement shall be final and incontestable in any
18 court of this state.

19 (m) Notwithstanding any defect, ambiguity, discrepancy,
20 invalidity, or unenforceability of a regional participation
21 agreement that has been voluntarily entered into and fully executed
22 by the parties, or any contrary law, common law doctrine, or
23 municipal charter provision, and for the duration of any annexation
24 deferral period established in the agreement during which a
25 district continues to perform its obligations under the agreement:

26 (1) Section 42.023 and any other law or municipal
27 charter provision relating to the reduction of the extraterritorial

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1 jurisdiction of an eligible municipality that is a party do not
2 apply, and Sections 42.041(b)-(e) do not apply to any land or owner
3 of land within a district that is a party;

4 (2) the governing body of an eligible municipality
5 that is a party may not initiate or continue an annexation
6 proceeding relating to that area but may include the area covered by
7 the agreement in a municipal annexation plan; and

8 (3) any area of a district that is a party to be
9 released from the extraterritorial jurisdiction of an eligible
10 municipality that is a party under an agreement, or that is to be
11 incorporated or included within an alternate form of government
12 with the consent of a municipality that is a party under an
13 agreement, shall, by operation of law and without further action by
14 a party or its governing body, be released from the
15 extraterritorial jurisdiction, or consent of the municipality to
16 the incorporation or adoption of an alternate form of government by
17 the district shall be deemed to have been given, as appropriate
18 under the agreement, at the time or upon the occurrence of the
19 events specified in the agreement.

20 (n) Notwithstanding the provisions of any municipal charter
21 or other law, a district or an eligible municipality is not required
22 to hold an election to authorize a regional participation
23 agreement. As long as such funds remain restricted for use under an
24 agreement, payments to or income from a regional participation fund
25 shall not be deemed revenues to an eligible municipality for
26 purposes of any law or municipal charter provision relating to
27 revenue or property tax caps or limits.

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1 (o) This section is cumulative of all other authority to
2 make, enter into, and perform a regional participation agreement.
3 In case of any conflict or ambiguity between this section and any
4 other law or municipal charter provision, this section shall
5 prevail and control.

6 (p) This section shall be liberally construed so as to give
7 effect to its legislative purposes and to sustain the validity of a
8 regional participation agreement if the agreement was entered into
9 under or in anticipation of enactment of this section.

10 SECTION 2. The legislature finds and determines that the
11 financial burdens of implementing essential economic development
12 programs and related regional public improvement projects,
13 including programs and projects located inside or outside municipal
14 boundaries that are of substantial benefit to areas within a
15 municipality and its extraterritorial jurisdiction, or to the state
16 as a whole, often are borne by large municipalities in the state;
17 that there exists insufficient legislative authority to promote and
18 facilitate regional participation in the funding and
19 implementation of such programs and projects; that annexation of
20 adjacent areas by large municipalities in many instances does not
21 provide a satisfactory means of apportioning such financial burdens
22 and may create or exacerbate public service delivery and financial
23 burdens of municipalities; that financial participation in such
24 programs or projects by populous, defined communities in close
25 proximity to large municipalities by mutual agreement provides an
26 equitable, material, and effective alternative means of addressing
27 such circumstances without resort to municipal annexation; that to

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1 prevent the fragmentation of, or nonuniform allocation of costs to,
2 participating defined communities, provision should also be made
3 for similar agreements with other municipalities with
4 extraterritorial jurisdiction over insubstantial portions of such
5 defined communities; and that implementation of the provisions of
6 this Act will be of substantial benefit to participating
7 communities and municipalities, to the regions of the state that
8 include such participants, and to the state as a whole as a program
9 for promoting and facilitating regional governmental cooperation
10 and the funding of essential economic development and public
11 improvement projects under Section 52-a, Article III, Texas
12 Constitution, thereby accomplishing the public purposes of
13 promoting and advancing employment and economic diversification
14 and development and stimulating business within the state,
15 conserving and preserving the natural resources of the state,
16 permitting the improvement of traffic circulation, the movement of
17 people, freight, goods, and materials, mass transportation, and
18 health care facilities and infrastructure within the state,
19 promoting the enhancement and improvement of air and water quality
20 and noise abatement measures within the state, promoting the
21 development of parks, recreational facilities, and public assembly
22 facilities within the state, and encouraging the preservation and
23 protection of scenic, wildlife, wetlands, and wilderness areas in
24 the state, and other purposes beneficial to the state.

25 SECTION 3. The provisions of this Act are severable. If any
26 word, phrase, clause, sentence, section, provision, or part of this
27 Act is held invalid or unconstitutional, it shall not affect the

S.B. No. 1012

1 validity of the remaining portions, and it is declared to be the
2 legislative intent that this Act would have been passed as to the
3 remaining portions regardless of the invalidity of any part.

4 SECTION 4. A regional participation agreement entered into
5 in anticipation of this Act is not invalid because of the
6 agreement's authorization, execution, or delivery before the
7 effective date of this Act.

8 SECTION 5. This Act takes effect immediately if it receives
9 a vote of two-thirds of all the members elected to each house, as
10 provided by Section 39, Article III, Texas Constitution. If this
11 Act does not receive the vote necessary for immediate effect, this
12 Act takes effect September 1, 2007.

S.B. No. 1012

David Newhurst
President of the Senate

Jim Caddick
Speaker of the House

I hereby certify that S.B. No. 1012 passed the Senate on April 4, 2007, by the following vote: Yeas 30, Nays 0; and that the Senate concurred in House amendment on May 1, 2007, by the following vote: Yeas 31, Nays 0.

Atsuy Spaw
Secretary of the Senate

I hereby certify that S.B. No. 1012 passed the House, with amendment, on April 27, 2007, by the following vote: Yeas 133, Nays 0, two present not voting.

Robert Haney
Chief Clerk of the House

Approved:

14 MAY '07
Date

Rick Perry
Governor

FILED IN THE OFFICE OF THE
SECRETARY OF STATE
5:00 PM O'CLOCK

MAY 14 2007

Roger Winnie



The State of Texas
Secretary of State

I, HOPE ANDRADE, Secretary of State of the State of Texas, DO
HEREBY CERTIFY that the attached is a TRUE AND CORRECT copy of
Senate Bill 2515, as passed by the 81st Legislature, Regular Session, of the State
of Texas, as signed by the Governor on June 19, 2009, and as filed in this office
on June 19, 2009.

Date Issued: October 6, 2009
HA/SDS/la

A handwritten signature in black ink, appearing to read "Hope Andrade", written over a horizontal line.

Hope Andrade
Secretary of State



Chapter 1397

S.B. No. 2515

1 AN ACT

2 relating to the administration, powers and duties, operations, and
3 financing of The Woodlands Township; providing authority to impose
4 an events admission tax.

5 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

6 SECTION 1. Subsection (c), Section 1, Chapter 289, Acts of
7 the 73rd Legislature, Regular Session, 1993, is amended to read as
8 follows:

9 (c) The name of the district may be changed by resolution of
10 the board of directors of the district at any time. A reference in
11 this Act to the district means the name of the district as changed.

12 SECTION 2. Section 7, Chapter 289, Acts of the 73rd
13 Legislature, Regular Session, 1993, is amended by adding
14 Subsections (s), (t), (u), (v), (w), (x), (y), (z), (aa), (bb),
15 (cc), and (dd) to read as follows:

16 (s) The district may make, enter into, and enforce tax
17 abatement agreements in the same manner as other taxing units under
18 Chapter 312, Tax Code. Before an ad valorem tax is first imposed,
19 the district may enter into a tax abatement agreement with the owner
20 of property subject to a tax abatement agreement with a county in
21 which any part of the district is located. The agreement may
22 provide for the parties to be bound by the same terms as the county
23 agreement for the remaining term of the county agreement and
24 provide for the same share of the property exempted by the county

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1 agreement to be exempted from taxation by the district in each
2 remaining year of the county agreement.

3 (t) In order to promote business retention, sustain
4 employment, and prevent substandard and blighted housing
5 conditions, the district may:

6 (1) except as otherwise provided by this subsection
7 and in the same manner as a qualified association, assume, accept an
8 assignment of, succeed to, or contract to undertake, exercise, or
9 perform:

10 (A) all or part of the rights, powers,
11 privileges, duties, responsibilities, assets, liabilities, and
12 obligations of a qualified association under community covenants;

13 (B) any contracts, agreements, leases,
14 commitments, loans, pledges, instruments of indebtedness, or other
15 undertakings with any person, regardless of whether the person is a
16 qualified association, in the exercise of the rights, powers,
17 privileges, duties, or responsibilities described by Paragraph
18 (A);

19 (C) the administration, enforcement, amendment,
20 supplementation, repeal, revocation, or rescission of a community
21 covenant as provided by the covenant; or

22 (D) the functions, duties, and responsibilities
23 of the board of directors of a qualified association, without the
24 necessity of electing or appointing members of the board of
25 directors of the qualified association;

26 (2) administer and perform procedures established in a
27 community covenant or a related agreement for the selection or

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1 appointment of members or officers to committees, village
2 association governing bodies, or similar positions;

3 (3) arrange or contract with one or more
4 municipalities, political subdivisions, or nonprofit organizations
5 for the provision of services and facilities to all or part of the
6 territory in or adjacent to the district that are substantially
7 equivalent to the services or facilities provided by the district
8 or a qualified association in the district, provided that the
9 district may not transfer, assign, or abrogate responsibility for
10 the administration or enforcement of any land use restrictions or
11 negative covenants included in a community covenant that apply to
12 land in or adjacent to the district;

13 (4) own, acquire, construct, improve, repair,
14 rehabilitate, operate, maintain, lease, purchase, sell, dispose
15 of, encumber, abandon, or remove:

16 (A) any buildings, improvements, or facilities;
17 or

18 (B) any real, personal, or mixed property; and

19 (5) assess, charge, collect, pledge, encumber, and
20 apply any fees, rents, charges, or proceeds received for the use,
21 enjoyment, or disposition of a building, improvement, facility, or
22 property or for a service or facility.

23 (u) The actions and proceedings of the district and the
24 board of directors under Subsection (t) of this section are
25 governmental functions. Title 11, Property Code, does not apply to
26 the district. This Act may not be construed as constituting a
27 waiver of governmental or sovereign immunity from suit, liability,

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1 or judgment.

2 (v) In this section:

3 (1) "Qualified association" means a nonprofit
4 property owners' association created and operated by a planned
5 community, as that term is defined by Section 43.0754, Local
6 Government Code.

7 (2) "Community covenant" means recorded land use
8 restrictions and covenants applicable to a planned community, as
9 that term is defined by Section 43.0754, Local Government Code.

10 (w) The district may develop and maintain and may sell,
11 lease, encumber, abandon, or dispose of recreational facilities,
12 including an open space and a related street, sidewalk, path,
13 building, structure, improvement, or appurtenance. Subchapter N,
14 Chapter 49, Water Code, does not apply to the district, except that
15 the terms "develop and maintain" and "recreational facilities" have
16 the meanings assigned by Section 49.462 of that chapter.

17 (x) The district is a special district but is treated as a
18 conservation and reclamation district that is entitled to
19 participate in the election of the board of directors of an
20 appraisal district for the purposes of Section 6.03, Tax Code.

21 (y) The district and a county tax assessor-collector may
22 contract for the collection of the delinquent assessments of a
23 qualified association for which the district has been assigned and
24 has assumed the duties, functions, and responsibilities. The
25 assessments may be collected through the use of the county's tax
26 billing and collection procedures or other mutually agreeable
27 means. A suit for collection of delinquent assessments under this

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1 subsection:

2 (1) has the same priority and preference as a
3 delinquent tax collection suit; and

4 (2) shall be conducted in the same manner as a
5 delinquent tax collection suit.

6 (z) The district has the same rights and powers as a
7 municipality annexing territory in a district that provides
8 emergency services to cause all or part of the territory of the
9 district to be removed from the district providing emergency
10 services.

11 (aa) The board of directors by resolution may cause district
12 territory described in the resolution to be removed from the
13 boundaries and taxing jurisdiction of a transit authority whose
14 territory overlaps the district's territory if the district and a
15 municipality enter into a regional participation agreement under
16 Section 43.0754, Local Government Code, that requires the district
17 to deposit money into a regional participation fund for the
18 purpose, among others, of funding mobility projects of mutual
19 benefit to the district and municipality. A removal of territory
20 under this subsection takes effect on the date the board provides a
21 certified copy of the resolution to:

22 (1) the transit authority; and

23 (2) the comptroller.

24 (bb) Subject to approval by the county, the district by
25 rule, order, or resolution may, in the same manner provided for a
26 municipality by Chapter 393, Transportation Code, and Section
27 216.901, Local Government Code:

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1 (1) prohibit, regulate, or authorize placement of
2 signs on the right-of-way of a road or highway maintained by the
3 county within the district, other than standard traffic control or
4 directional signs; or

5 (2) administer a kiosk program as provided by Section
6 393.0026, Transportation Code.

7 (cc) The district may enter into an interlocal agreement
8 with the county under which the county grants the district
9 permission to prohibit, regulate, or authorize placement of a
10 specific type or class of sign on the right-of-way of a highway that
11 is maintained by the county and located within the district.

12 (dd) Subsections (bb) and (cc) do not apply to a sign
13 regulated by another municipality, if all or part of the territory
14 of the district is incorporated, that is located within the
15 exclusive extraterritorial jurisdiction of that other
16 municipality.

17 SECTION 3. Section 7F, Chapter 289, Acts of the 73rd
18 Legislature, Regular Session, 1993, is amended by amending
19 Subsections (a) and (c) and adding Subsections (d), (e), (f), and
20 (g) to read as follows:

21 (a) In this section:

22 (1) "Fire-fighting services" has the meaning assigned
23 by Section 49.351(k), Water Code.

24 (2) "Fire[, "fire] protection personnel" has the
25 meaning assigned by Section 419.021, Government Code, except that a
26 reference to a fire department includes a nonprofit corporation
27 employing fire protection personnel and providing fire-fighting

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1 services that is owned, operated, or controlled by the district.

2 (c) Before January 1, 2012 ~~[2010]~~, the district may not
3 directly employ any fire protection personnel but may own, operate,
4 or control a nonprofit corporation employing fire protection
5 personnel and providing fire-fighting services. This subsection
6 expires February ~~[January]~~ 1, 2012 ~~[2010]~~.

7 (d) Except as provided by Subsection (c) of this section, a
8 district may:

9 (1) directly, or through a nonprofit corporation
10 created, funded, owned, operated, or controlled by the district,
11 establish, acquire, operate, and maintain a fire department to
12 perform fire-fighting services in or adjacent to the district; and

13 (2) issue public securities, including public
14 securities approved by district voters and payable wholly or partly
15 from ad valorem taxes, to finance the construction, acquisition,
16 improvement, renovation, repair, or rehabilitation of any related
17 buildings, facilities, interests in land, equipment, or supplies.

18 (e) Subchapter L, Chapter 49, Water Code, does not apply to
19 the district.

20 (f) Unless other law requires a prior election, the district
21 shall hold an election to determine whether the district shall
22 adopt the provisions of Chapter 174, Local Government Code, if the
23 district receives a timely petition signed by a majority of the fire
24 protection personnel of the fire department of the district or of
25 any nonprofit corporation owned, operated, or controlled by the
26 district. On receipt and verification of the petition, the
27 district shall hold the election on a uniform election date that

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1 occurs not later than the date of the last authorized uniform
2 election date in 2011 and shall conduct the election in compliance
3 with applicable law and Chapter 174, Local Government Code. This
4 subsection expires January 1, 2012.

5 (g) If an election is called under Subsection (f) of this
6 section and a majority of the voters voting in the election approve
7 the adoption by the district of the provisions of Chapter 174, Local
8 Government Code, the provisions of that chapter shall be binding on
9 the district when the district, or any municipality or other form of
10 local government succeeding to the principal assets, functions, and
11 liabilities of the district, directly employs fire protection
12 personnel. The results of the election shall continue in effect
13 unless the adoption of Chapter 174, Local Government Code, is
14 repealed in the manner provided by that chapter. A collective
15 bargaining agreement made and entered into by the district under
16 Chapter 174, Local Government Code, shall be binding on a successor
17 municipality or local government.

18 SECTION 4. Chapter 289, Acts of the 73rd Legislature,
19 Regular Session, 1993, is amended by adding Section 7H to read as
20 follows:

21 Sec. 7H. EVENT ADMISSIONS TAX. (a) In this section:

22 (1) "Cultural education" means the exhibition or
23 promotion of or education about the performing, dramatic, visual,
24 literary, or fine arts, including historical, geological,
25 archeological, or paleontological sciences, and history, natural
26 history, scientific, cultural, ethnic, or heritage education
27 meeting local community standards in the district.

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1 (2) "Event" means any performance, exhibition,
2 showing, or similar presentation at a venue for which an admission
3 fee or charge is imposed by the venue user, including a cultural
4 education event.

5 (3) "Venue" means an indoor or outdoor theater, music,
6 exhibition, rehearsal, or concert hall, opera house, auditorium,
7 park, zoo, museum, aquarium, plaza, civic center, or similar
8 building or forum in the district, other than a motion picture
9 theater, regardless of whether the district owns, operates, leases,
10 finances, or uses the venue.

11 (4) "Venue user" means an owner, lessee, operator, or
12 other user of a venue that:

13 (A) is not a governmental entity; and

14 (B) presents more than four events in a calendar
15 year.

16 (b) The district by order may impose a tax on each ticket
17 sold as admission to an event held at a venue.

18 (c) The amount of the tax may be imposed at any uniform
19 percentage not to exceed five percent of the price of the ticket
20 sold as admission to an event held at a venue.

21 (d) The district by order may increase, repeal, or decrease
22 the rate of the tax imposed under this section.

23 (e) The district by order may require the venue user to
24 collect the tax for the benefit of the district.

25 (f) A venue user required to collect the tax under this
26 section shall add the tax to the admissions price, and the tax is a
27 part of the admissions price, is a debt owed to the venue user by the

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1 person admitted, and is recoverable at law in the same manner as the
2 admissions price.

3 (g) The tax imposed by this section is not an occupation tax
4 imposed on the venue user.

5 (h) A tax imposed under this section or a change in a tax
6 rate takes effect on the date prescribed by the order imposing the
7 tax or changing the rate.

8 (i) A person required to collect a tax imposed under this
9 section shall report and remit the taxes to the district as provided
10 by order of the district.

11 (j) The district by order may prescribe penalties and
12 interest charges for failure to keep records required by the
13 district, to report when required, or to fully and timely collect or
14 remit the tax. The district may bring suit against a person who
15 fails to collect a tax under this section or to fully and timely
16 remit the tax to the district.

17 (k) The district by order may permit a person who is
18 required to collect a tax under this section to retain a percentage
19 of the amount collected and required to be reported as
20 reimbursement to the person for the costs of collecting the tax.
21 The district may provide that the person may retain the amount only
22 if the person pays the tax and files reports as required by the
23 district.

24 (l) The district and any venue user may enter into an
25 agreement for a term of not more than 20 years:

26 (1) providing for the payment or reimbursement, or the
27 reservation of tax proceeds for the payment or reimbursement, to

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1 the venue user of all or any agreed portion of the venue user's
2 actual costs of operations, maintenance, management, financing,
3 funding development, capital costs, debt service, or other actual
4 costs of the production, promotion, or presentation of a cultural
5 education event at the venue; and

6 (2) containing any other terms, conditions, and
7 provisions as may be considered necessary and appropriate to
8 support cultural education in the district.

9 (m) The proceeds received by the district from the tax
10 authorized by this section may be used only to support cultural
11 education in the district.

12 (n) The district may continue to impose the tax authorized
13 by this section after any contractual obligations have been
14 fulfilled if the tax revenue is used to support cultural education.

15 (o) An agreement entered into in anticipation of this
16 section taking effect that otherwise meets the requirements of this
17 section is not invalid because it was authorized, executed, or
18 entered into before the effective date of this section.

19 SECTION 5. Subsection (j), Section 8, Chapter 289, Acts of
20 the 73rd Legislature, Regular Session, 1993, is amended to read as
21 follows:

22 (j) Except as provided by Subsection (e) of this section, a
23 majority of the total authorized number of [four] directors
24 constitutes [constitute] a quorum for the consideration of all
25 matters pertaining to the business of the district, and a
26 concurrence of a majority of a quorum of directors shall be required
27 for any official action of the district.

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1 SECTION 6. Section 9, Chapter 289, Acts of the 73rd
2 Legislature, Regular Session, 1993, is amended by amending
3 Subsection (g) and adding Subsection (1) to read as follows:

4 (g) After passage of the propositions in the confirmation
5 election, as required by Subsection (e) of this section and Section
6 7-a of this Act:

7 (1) an election shall be called for the uniform
8 election date in May of the next even-numbered year for the election
9 of five directors at large. The three candidates receiving the
10 highest number of votes shall be elected for a term of three years,
11 and the two candidates receiving the next highest number of votes
12 shall be elected for a term of two years;

13 (2) an election shall be called for the uniform
14 election date in May of the next succeeding even-numbered year
15 after the election held under Subdivision (1) of this subsection,
16 for the election of four directors by position ~~[at large]~~. Each of
17 the ~~[The]~~ four candidates ~~[receiving the highest number of votes~~
18 ~~shall be]~~ elected shall serve for a term of two years; and

19 (3) an election shall be called annually thereafter
20 for the uniform election date in May of each year for the election
21 by position of either three or four directors, as appropriate, to
22 serve two-year terms.

23 (1) An election held on the proposition of incorporating all
24 or part of the territory of the district under Subsection (h)(2) of
25 this section may be held regardless of population or area limits
26 described by Section 5.901, Local Government Code, or other law, if
27 the area to be incorporated has a population of 5,000 or more

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1 inhabitants according to the most recent federal decennial census
 2 or other credible population records.

3 SECTION 7. Chapter 289, Acts of the 73rd Legislature,
 4 Regular Session, 1993, is amended by adding Section 11B-1 to read as
 5 follows:

6 Sec. 11B-1. SUPPLEMENTAL HOTEL OCCUPANCY TAX. (a) In
 7 addition to the tax authorized by Section 11A of this Act, but
 8 subject to Subsection (c) of this section, the board by order may
 9 impose, repeal, increase, or decrease a supplemental hotel
 10 occupancy tax in the same manner as the tax authorized by Section
 11 11A of this Act. The rate of the supplemental tax may not exceed two
 12 percent of the price paid for a room in a hotel.

13 (b) The district shall apply the proceeds from the
 14 supplemental tax imposed under Subsection (a) of this section
 15 solely for the purposes described by Sections 352.101(a) and
 16 352.1015, Tax Code, provided that at least 75 percent of the
 17 proceeds from the supplemental tax, as determined on an annual
 18 average basis, must be used for the purpose of establishing,
 19 operating, and maintaining a convention and visitors bureau within
 20 or adjacent to the district. For purposes of this subsection, a
 21 reference in Section 352.101(a) or 352.1015, Tax Code, to a county,
 22 county officer, or commissioners court means the district, a
 23 district officer, or the board, as appropriate.

24 (c) The board may not impose the supplemental tax authorized
 25 by Subsection (a) of this section before January 1, 2011. The board
 26 may impose the tax at a rate not to exceed one percent until
 27 December 31, 2011. On or after January 1, 2012, the board may

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1 impose the tax at a rate not to exceed two percent.

2 SECTION 8. Section 11C, Chapter 289, Acts of the 73rd
3 Legislature, Regular Session, 1993, is amended by amending
4 Subsections (g), (k), and (p) and adding Subsections (g-1) and (s)
5 to read as follows:

6 (g) Members of the governing body shall be appointed for a
7 term of two years, except that:

8 (1) the appointment of the initial members of the
9 governing body may provide for some terms to be limited to one year
10 in order to achieve staggered terms of office; and

11 (2) the board by resolution may:

12 (A) extend the terms of office of members of the
13 governing body beyond two years to the extent necessary to
14 coordinate those terms with the next election of members of the
15 board of directors; or

16 (B) provide for one-year terms of office for
17 members of a subsequent governing body.

18 (g-1) The district by appointment shall fill a vacancy on
19 the governing body of the zone for the unexpired portion of the
20 term.

21 (k) A development zone created by the district under this
22 section is a body politic and corporate and a political subdivision
23 of the state, separate from the district. The district and the
24 development zone have the same power and authority to carry out this
25 section as Section 311.008, Tax Code, provides a municipality to
26 carry out Chapter 311, Tax Code. In addition to the powers granted
27 to the governing body by this section, the board by order may

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1 delegate, subject in whole or in part to final approval by the
2 board, any powers and duties relating to the financing and
3 implementation of the project plan for the zone, including the
4 power and authority to:

5 (1) issue tax increment bonds or notes for and in the
6 name of the zone in the same manner as Section 311.015 [~~311.010~~],
7 Tax Code, provides for a municipality, except that tax increment
8 bonds or notes of the zone must mature in not more than 30 years, to
9 fund any project of the zone and pay any related bond issuance and
10 bond reserve costs or to refund any bonds, notes, contractual
11 obligations, commitments, or undertakings of the zone, including
12 the reimbursement to any person for project costs and related
13 interest for which the zone would have been authorized to issue its
14 bonds or notes;

15 (2) pledge irrevocably all or part of the tax
16 increment fund for the zone, as Section 311.015, Tax Code, provides
17 for a municipality; and

18 (3) impose, assess, and collect ad valorem taxes,
19 assessments, and other charges in the zone, as Chapter 375, Local
20 Government Code, provides for municipal management districts, as
21 well as the incremental sales and use tax authorized by this
22 section, if the ad valorem tax or incremental sales and use tax has
23 been approved by the qualified voters of the district at an election
24 called and held for that purpose.

25 (p) Sections 311.002 and 311.014 through 311.017, Tax Code,
26 apply to the district, except that for purposes of this subsection:

27 (1) a reference in those sections to a municipality

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1 means the district and the development zone;

2 (2) a reference in those sections to an ordinance
3 means an order;

4 (3) a reference in those sections to a reinvestment
5 zone means a development zone;

6 (4) a reference in those sections to an agreement made
7 under Subsection (b), Section 311.010, Tax Code, means an agreement
8 made under Subsection (1) of this section;

9 (5) "development" means initial development;

10 (6) "redevelopment" means substantial redevelopment;

11 [~~and~~]

12 (7) Section 311.016, Tax Code, applies only if ad
13 valorem taxes are used, in whole or in part, in payment of project
14 costs of a development zone; and

15 (8) a development zone created without a duration or
16 date of termination may be dissolved by a two-thirds vote of the
17 board of directors of the district or of the governing body of a
18 municipality or other form of local government succeeding to the
19 principal assets, powers, functions, and liabilities of the
20 district, but only if:

21 (A) the development zone has no outstanding
22 indebtedness or other obligations; or

23 (B) the assets, powers, functions, and
24 liabilities, and any outstanding indebtedness or obligations, of
25 the development zone are expressly assumed by the district or the
26 succeeding municipality or local government.

27 (s) The district or a municipality or other local government

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1 succeeding to the principal assets, powers, functions, and
 2 liabilities of the district may assume, exercise, perform, and
 3 discharge the assets, powers, functions, and liabilities of a
 4 development zone in the same manner, to the same extent, and for the
 5 same purposes as a development zone created under this section.

6 SECTION 9. The heading to Section 12A, Chapter 289, Acts of
 7 the 73rd Legislature, Regular Session, 1993, is amended to read as
 8 follows:

9 Sec. 12A. PUBLIC SECURITIES ~~[BONDS]~~.

10 SECTION 10. Section 12A, Chapter 289, Acts of the 73rd
 11 Legislature, Regular Session, 1993, is amended by amending
 12 Subsections (a) and (c) and adding Subsections (d), (e), and (f) to
 13 read as follows:

14 (a) The board may issue, sell, and deliver the public
 15 securities ~~[bonds]~~ of the district in the manner provided by this
 16 section or other applicable law, including Chapter 1371, Government
 17 Code, and Subchapter J, Chapter 375, Local Government Code, for any
 18 district purpose or to finance or pay for any district facilities,
 19 programs, or improvement projects ~~[project]~~, including for the
 20 purpose of making or providing for payment of any amounts due or to
 21 become due from the district under a regional participation
 22 agreement authorized by this Act or other law, to refund or
 23 refinance any public security or other contract, agreement,
 24 commitment, or undertaking of the district in payment of which the
 25 district could have issued its public securities, or to fund or pay
 26 for any reserve fund or issuance expenses related to the public
 27 securities. The public securities ~~[which]~~ shall be deemed to be in

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1 furtherance of a program authorized pursuant to Section 52-a,
 2 Article III, Texas Constitution[, ~~in the manner provided by~~
 3 ~~Subchapter J, Chapter 375, Local Government Code~~]. Sections
 4 375.207 and 375.208, Local Government Code, do not apply to public
 5 securities [~~bonds~~] issued by the district under this Act.

6 (c) In addition to the sources of money described by
 7 Subchapter J, Chapter 375, Local Government Code, the public
 8 securities [~~bonds~~] of the district may be secured and made payable,
 9 wholly or partly, by a pledge of any part of the net proceeds the
 10 district receives from:

11 (1) a specified portion, but not more than one-half of
 12 one percent, of the sales and use tax authorized by Section 11 of
 13 this Act;

14 (2) the hotel occupancy tax authorized by Section 11A
 15 of this Act;

16 (3) an ad valorem tax approved by the voters of the
 17 district at an election called for that purpose;

18 (4) any revenues, receipts, fees, charges, income,
 19 funds, or proceeds received or to be received by the district from
 20 refunding public securities, contracts, agreements, or other
 21 [~~lawful~~] sources, including a contract with a development zone to
 22 facilitate an improvement project or project plan of the district
 23 or the development zone; or

24 (5) [~~any other revenues, income, or proceeds that in~~
 25 ~~accordance with this Act or other law may be pledged or used for~~
 26 ~~purposes described by Subdivision (4) of this subsection, or~~

27 [~~46~~] any combination of revenues, taxes, or proceeds

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1 from one or more of the sources described by Subdivisions (1)-(4)
2 [~~(1)-(5)~~] of this subsection.

3 (d) The board of directors or an officer or employee of the
4 district to whom the board delegates authority may sell a district
5 public security at a public or private sale in the form, at the
6 price, on the terms and conditions, at the interest rate or rates,
7 whether fixed, variable, floating, adjustable, or otherwise, as the
8 board determines appropriate. The net effective interest rate of
9 the public securities under this section may not exceed the maximum
10 rate allowed by law.

11 (e) The board may secure a district public security with a
12 security agreement, credit agreement, or both, with the security
13 interest or interests, other than a mortgage interest in real
14 property, and with the parity or priority of pledge and lien as the
15 board determines appropriate.

16 (f) In this section:

17 (1) "Public security" has the meaning assigned by
18 Section 1201.002, Government Code.

19 (2) "Credit agreement," "security agreement," and
20 "security interest" have the meanings assigned by Section 1208.001,
21 Government Code.

22 SECTION 11. (a) The legislature ratifies and confirms all
23 governmental acts and proceedings of The Woodlands Township and its
24 board and of The Woodlands Township Economic Development Zone and
25 its governing body before the effective date of this Act, in:

26 (1) calling, holding, conducting, and declaring the
27 results of the confirmation and tax election held in the district on

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1 November 6, 2007;

2 (2) conditionally enlarging the boundaries and
3 increasing the number of eligible voters of the district for
4 conducting the election described by Subdivision (1) of this
5 subsection;

6 (3) changing the name of the district to The Woodlands
7 Township;

8 (4) describing the boundaries of the district for any
9 purpose, including the election described by Subdivision (1) of
10 this subsection;

11 (5) creating, establishing, organizing, and
12 describing the boundaries of The Woodlands Township Economic
13 Development Zone;

14 (6) dissolving, abolishing, and transferring the
15 funds, assets, liabilities, and obligations of all existing
16 economic development zones overlapped by The Woodlands Township
17 Economic Development Zone;

18 (7) imposing and collecting an incremental sales and
19 use tax by The Woodlands Township Economic Development Zone; and

20 (8) conditionally excluding territory from the
21 boundaries of The Woodlands Township Economic Development Zone and
22 reserving the right to repeal or rescind the exclusion.

23 (b) Subsection (a) of this section does not apply to a
24 matter that on the effective date of this Act:

25 (1) is involved in litigation, if the litigation
26 ultimately results in the matter being held invalid by a final court
27 judgment; or

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1 (2) has been held invalid by a final court judgment.

2 SECTION 12. The provisions of this Act are severable. If
3 any word, phrase, clause, sentence, section, provision, or part of
4 this Act is held invalid or unconstitutional, it shall not affect
5 the validity of the remaining portions, and it is declared to be the
6 legislative intent that this Act would have been passed as to the
7 remaining portions regardless of the invalidity of any part.

8 SECTION 13. (a) The legislature finds that the powers,
9 authority, and functions of the district authorized by this Act are
10 essential and beneficial to the district and to the state as a whole
11 as a program for promoting, facilitating, and accomplishing the
12 public purposes of Section 52-a, Article III, Texas Constitution,
13 by:

14 (1) promoting, sustaining, and advancing employment
15 and economic diversification and development in the state;

16 (2) sustaining and stimulating business in the state;

17 (3) conserving and sustaining property values and
18 living conditions in the state;

19 (4) promoting traffic circulation and public safety in
20 the state;

21 (5) promoting the development of parks, recreational
22 facilities, and cultural education in the state; and

23 (6) serving other purposes beneficial to the state.

24 (b) The legal notice of the intention to introduce this Act,
25 setting forth the general substance of this Act, has been published
26 as provided by law, and the notice and a copy of this Act have been
27 furnished to all persons, agencies, officials, or entities to which

S.B. No. 2515

1 they are required to be furnished under Section 59, Article XVI,
2 Texas Constitution, and Chapter 313, Government Code.

3 (c) The governor, one of the required recipients, has
4 submitted the notice and Act to the Texas Commission on
5 Environmental Quality.

6 (d) The Texas Commission on Environmental Quality has filed
7 its recommendations relating to this Act with the governor,
8 lieutenant governor, and speaker of the house of representatives
9 within the required time.

10 (e) All requirements of the constitution and laws of this
11 state and the rules and procedures of the legislature with respect
12 to the notice, introduction, and passage of this Act have been
13 fulfilled and accomplished.

14 SECTION 14. This Act takes effect immediately if it
15 receives a vote of two-thirds of all the members elected to each
16 house, as provided by Section 39, Article III, Texas Constitution.
17 If this Act does not receive the vote necessary for immediate
18 effect, this Act takes effect September 1, 2009.

S.B. No. 2515

Rand Newkirk
President of the Senate

Jim Strawn
Speaker of the House

I hereby certify that S.B. No. 2515 passed the Senate on
May 7, 2009, by the following vote: Yeas 31, Nays 0.

Steve Saw
Secretary of the Senate

I hereby certify that S.B. No. 2515 passed the House on
May 25, 2009, by the following vote: Yeas 143, Nays 0, one present
not voting.

Robert Haney
Chief Clerk of the House

Approved:

19 Jun '09
Date
Rick Perry
Governor

FILED IN THE OFFICE OF THE
SECRETARY OF STATE
2 PM O'CLOCK

JUN 19 2009

Colby Shuter III



The State of Texas

Secretary of State

I, Carlos Cascos, Secretary of State of the State of Texas, DO HEREBY CERTIFY the attached are true and correct copies of **House Bill No. 4149, 84th Session of the Texas Legislature, Regular Session.**

Date Issued: July 6, 2015



A handwritten signature in black ink, appearing to read "Cascos", followed by a horizontal line.

Carlos H. Cascos,
Secretary of State

Chapter 446

H.B. No. 4149

AN ACT

relating to the powers, operations, and boundaries of The Woodlands Township; authorizing a fee.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

SECTION 1. Section 5(b), Chapter 289, Acts of the 73rd Legislature, Regular Session, 1993, is amended to read as follows:

(b) The legislature finds that the creation of the district is essential to further the public purposes of the economic development and diversification of the state, the elimination of unemployment and underemployment, and the stimulation and development of transportation and commerce; that it is in the public interest; and that it will promote the health, safety, and general welfare of residents, employers, employees, and consumers in the district and of the general public. The safe and efficient movement of people by motor vehicle, rail, trolley, bus, bicycle, pedestrian means, waterborne vessel, or other means of transportation is a public purpose of the district. The present and prospective traffic congestion in the district and the safety of pedestrians and the limited availability of funds require the promotion and development of public transportation and pedestrian facilities and systems by new and alternative means, and the district will serve the public purpose of securing expanded and improved transportation and pedestrian facilities and systems. The district will provide needed funding for the Town Center area to

H.B. No. 4149

1 preserve, maintain, and enhance the economic health and vitality of
 2 the area as a community and business and commerce center. The
 3 district will further promote the health, safety, welfare,
 4 education, convenience, and enjoyment of the public by improving,
 5 landscaping, and developing certain areas within and adjacent to
 6 the district and providing public services and facilities within
 7 and adjacent to the district which are necessary for the
 8 restoration, preservation, enhancement, and enjoyment of scenic
 9 and aesthetic beauty. Each and all of the improvement projects
 10 authorized by this Act are hereby found and declared to be essential
 11 to carrying out a public purpose. The district will not act as the
 12 agent or instrumentality of any private interests, even though many
 13 private interests will be benefited by the district as will the
 14 general public.

15 SECTION 2. Sections 7(t) and (v), Chapter 289, Acts of the
 16 73rd Legislature, Regular Session, 1993, are amended to read as
 17 follows:

18 (t) In order to promote business retention, sustain
 19 employment, and prevent substandard and blighted housing
 20 conditions, the district may:

21 (1) merge or consolidate with a qualified association
 22 to carry out a function described by this subsection;

23 (1-a) except as otherwise provided by this subsection
 24 and in the same manner as a qualified association, assume, accept an
 25 assignment of, succeed to, or contract to undertake, exercise, or
 26 perform:

27 (A) all or part of the rights, powers,

H.B. No. 4149

1 privileges, duties, responsibilities, assets, liabilities, and
2 obligations of a qualified association under community covenants;

3 (B) any contracts, agreements, leases,
4 commitments, loans, pledges, instruments of indebtedness, or other
5 undertakings with any person, regardless of whether the person is a
6 qualified association, in the exercise of the rights, powers,
7 privileges, duties, or responsibilities described by Paragraph
8 (A);

9 (C) the administration, enforcement, amendment,
10 supplementation, repeal, revocation, or rescission of a community
11 covenant as provided by the covenant; or

12 (D) the functions, duties, and responsibilities
13 of the board of directors of a qualified association, without the
14 necessity of electing or appointing members of the board of
15 directors of the qualified association;

16 (2) administer and perform procedures established in a
17 community covenant or a related agreement for the selection or
18 appointment of members or officers to committees, village
19 association governing bodies, or similar positions;

20 (3) arrange or contract with one or more
21 municipalities, political subdivisions, or nonprofit organizations
22 for the provision of services and facilities to all or part of the
23 territory in or adjacent to the district that are substantially
24 equivalent to the services or facilities provided by the district
25 or a qualified association in the district, provided that the
26 district may not transfer, assign, or abrogate responsibility for
27 the administration or enforcement of any land use restrictions or

H.B. No. 4149

1 negative covenants included in a community covenant that apply to
2 land in or adjacent to the district;

3 (4) own, acquire, construct, improve, repair,
4 rehabilitate, operate, maintain, lease, purchase, sell, dispose
5 of, encumber, abandon, or remove:

6 (A) any buildings, improvements, or facilities;
7 or

8 (B) any real, personal, or mixed property; and

9 (5) assess, charge, collect, pledge, encumber, and
10 apply any fees, rents, charges, or proceeds received for the use,
11 enjoyment, or disposition of a building, improvement, facility, or
12 property or for a service or facility.

13 (v) In this section:

14 (1) "Qualified association" means a nonprofit
15 property owners' association created and operated by or in a
16 planned community, as that term is defined by Section 43.0754,
17 Local Government Code.

18 (2) "Community covenant" means recorded land use
19 restrictions and covenants applicable to land in a planned
20 community, as that term is defined by Section 43.0754, Local
21 Government Code.

22 SECTION 3. Section 7, Chapter 289, Acts of the 73rd
23 Legislature, Regular Session, 1993, is amended by adding
24 Subsections (ee) and (ff) to read as follows:

25 (ee) The district is an "endorsing municipality" for the
26 purposes of Chapter 1507 (S.B. 456), Acts of the 76th Legislature,
27 Regular Session, 1999 (Article 5190.14, Vernon's Texas Civil

H.B. No. 4149

1 Statutes).

2 (ff) The district is entitled to receive a certified
3 appraisal roll, an estimate of the taxable value of property in the
4 district, and assistance in determining values of property in the
5 district in the manner provided by Section 26.01, Tax Code, for a
6 municipality.

7 SECTION 4. Section 7-a(c), Chapter 289, Acts of the 73rd
8 Legislature, Regular Session, 1993, is amended to read as follows:

9 (c) A description of ~~[map or plat showing]~~ the boundaries of
10 the district, as adjusted from time to time, shall be recorded in
11 the real property records of each county in which all or part of the
12 district is situated not later than the seventh day after the date
13 of each such boundary adjustment. The boundaries of the district
14 may be described by metes and bounds, plat, or reference to a
15 previously recorded instrument.

16 SECTION 5. Chapter 289, Acts of the 73rd Legislature,
17 Regular Session, 1993, is amended by adding Section 7I to read as
18 follows:

19 Sec. 7I. TRANSPORTATION PROJECTS, FACILITIES, PROGRAMS,
20 AND SERVICES. (a) The district may engage in or contract with
21 another person to perform activities that accomplish the
22 transportation and traffic movement purposes of the district,
23 including the acquisition, analysis, construction, design,
24 financing, investigation, implementation, improvement,
25 maintenance, operation, ownership, planning, provision,
26 relocation, repair, replacement, or study of improvement projects,
27 facilities, programs, and services in the district and in areas

H.B. No. 4149

1 adjacent to the district for:

2 (1) mass transportation;

3 (2) parking;

4 (3) pedestrian movement;

5 (4) rail systems;

6 (5) traffic movement;

7 (6) transit terminals;

8 (7) waterborne transit; or

9 (8) other modes of transportation and mobility

10 enhancements that reduce congestion or promote or aid in the
11 circulation of traffic and movement of people in the district and in
12 areas adjacent to the district.

13 (b) The district may apply for and receive state and federal
14 transportation funding, including grants or other assistance. The
15 district has the rights associated with the funding and may carry
16 out functions and perform obligations associated with the funding,
17 as the designated recipient or otherwise.

18 (c) The district may contract for an improvement to a
19 boundary highway and consent to the imposition of an assessment by a
20 municipality in the manner provided by Sections 313.022 and
21 313.046, Transportation Code, for a municipality.

22 (d) The district may adopt and enforce by ordinary civil
23 remedies rules regarding access to and use of the district's
24 transportation projects, facilities, programs, and services.

25 (e) The district may charge a fare, fee, rate, toll, or
26 other charge for the use of a district transportation project,
27 facility, program, or service.

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1 SECTION 6. The legislature finds that the powers,
2 authority, and functions of the district authorized by this Act are
3 essential and beneficial to the district and to the state as a whole
4 as a program for promoting, facilitating, and accomplishing the
5 public purposes of Section 52-a, Article III, Texas Constitution,
6 by:

7 (1) promoting, sustaining, and advancing employment
8 and economic diversification and development in the state;

9 (2) sustaining and stimulating business in the state;

10 (3) conserving and sustaining property values and
11 living conditions in the state;

12 (4) promoting traffic circulation and public safety in
13 the state;

14 (5) promoting the development of parks, recreational
15 facilities, and cultural education in the state; and

16 (6) serving other purposes beneficial to the state.

17 SECTION 7. (a) The legal notice of the intention to
18 introduce this Act, setting forth the general substance of this
19 Act, has been published as provided by law, and the notice and a
20 copy of this Act have been furnished to all persons, agencies,
21 officials, or entities to which they are required to be furnished
22 under Section 59, Article XVI, Texas Constitution, and Chapter 313,
23 Government Code.

24 (b) The governor has submitted the notice and Act to the
25 Texas Commission on Environmental Quality.

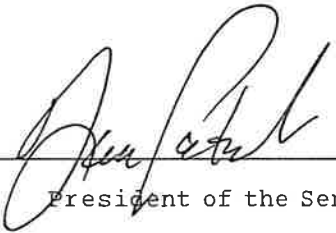
26 (c) The Texas Commission on Environmental Quality has filed
27 its recommendations relating to this Act with the governor,

H.B. No. 4149

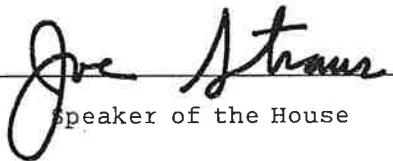
1 lieutenant governor, and speaker of the house of representatives
2 within the required time.

3 (d) All requirements of the constitution and laws of this
4 state and the rules and procedures of the legislature with respect
5 to the notice, introduction, and passage of this Act are fulfilled
6 and accomplished.

7 SECTION 8. This Act takes effect immediately if it receives
8 a vote of two-thirds of all the members elected to each house, as
9 provided by Section 39, Article III, Texas Constitution. If this
10 Act does not receive the vote necessary for immediate effect, this
}1 Act takes effect September 1, 2015.

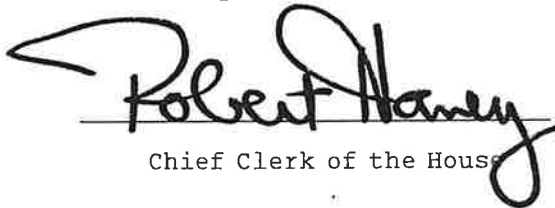


President of the Senate

H.B. No. 4149


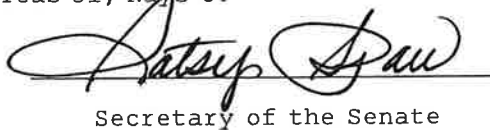
Speaker of the House

I certify that H.B. No. 4149 was passed by the House on May 8, 2015, by the following vote: Yeas 141, Nays 0, 2 present, not voting.



Chief Clerk of the House

I certify that H.B. No. 4149 was passed by the Senate on May 22, 2015, by the following vote: Yeas 31, Nays 0.

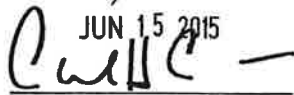


Secretary of the Senate

APPROVED: _____

Date

Governor

FILED IN THE OFFICE OF THE
SECRETARY OF STATE
9:15 pm O'CLOCK
JUN 15 2015


Secretary of State



The State of Texas

Secretary of State

I, Rolando B. Pablos, Secretary of State of the State of Texas, DO HEREBY CERTIFY the attached is a true and correct copy of **Senate Bill No. 1014, 85th Session of the Texas Legislature, Regular Session.**

Date Issued: June 30, 2017

A handwritten signature in black ink, appearing to read "R. Pablos", written in a cursive style.

Rolando B. Pablos,
Secretary of State



Chapter 592

S.B. No. 1014

AN ACT

relating to The Woodlands Township.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

SECTION 1. Section 8(e), Chapter 289, Acts of the 73rd Legislature, Regular Session, 1993, is amended to read as follows:

(e) A vacancy in the office of director shall be filled by appointment of a qualified individual by a majority vote of the remaining directors[, ~~except that if the number of directors for any reason is less than four, on petition of a resident of or owner of real property in the district, the commission shall appoint the required number of qualified individuals to fill the vacancies~~].

SECTION 2. Section 11B, Chapter 289, Acts of the 73rd Legislature, Regular Session, 1993, is amended by adding Subsection (b) to read as follows:

(b) Notwithstanding Subsection (a) of this section, if at least 99 percent of the territory of the district is incorporated and the district is dissolved in the manner provided by Section 14A of this Act, the district or municipality shall apply the proceeds from a hotel occupancy tax imposed under Section 11A of this Act:

(1) for the purposes described by Section 351.101, Tax Code; or

(2) as may otherwise be required in connection with the district's debt and other obligations existing before the incorporation to which the proceeds from a hotel occupancy tax

S.B. No. 1014

1 imposed under Section 11A of this Act have been pledged.

2 SECTION 3. Section 11C(p), Chapter 289, Acts of the 73rd
3 Legislature, Regular Session, 1993, is amended to read as follows:

4 (p) Sections 311.002 and 311.014 through 311.017, Tax Code,
5 apply to the district, except that for purposes of this subsection:

6 (1) a reference in those sections to a municipality
7 means the district and the development zone;

8 (2) a reference in those sections to an ordinance
9 means an order;

10 (3) a reference in those sections to a reinvestment
11 zone means a development zone;

12 (4) a reference in those sections to an agreement made
13 under Subsection (b), Section 311.010, Tax Code, means an agreement
14 made under Subsection (1) of this section;

15 (5) "development" means initial development;

16 (6) "redevelopment" means substantial redevelopment;

17 (7) Section 311.016, Tax Code, applies only if ad
18 valorem taxes are used, in whole or in part, in payment of project
19 costs of a development zone; and

20 (8) a development zone created without a duration or
21 date of termination may be dissolved by a two-thirds vote of the
22 board of directors of the district or of the governing body of a
23 municipality or other form of local government, other than the
24 development zone, succeeding to the principal assets, powers,
25 functions, and liabilities of the district, but only if:

26 (A) the development zone has no outstanding
27 indebtedness or other obligations; or

S.B. No. 1014

1 (B) the assets, powers, functions, and
2 liabilities, and any outstanding indebtedness or obligations, of
3 the development zone are expressly assumed by the district or the
4 succeeding municipality or local government.

5 SECTION 4. Chapter 289, Acts of the 73rd Legislature,
6 Regular Session, 1993, is amended by adding Section 14A to read as
7 follows:

8 Sec. 14A. INCORPORATION. (a) This section prevails over
9 any other provision of this Act that conflicts with or is
10 inconsistent with this section.

11 (b) Except as provided by Subsections (c) and (f) of this
12 section, and subject to any applicable limitations of the
13 constitution of this state, if the incorporation of at least 99
14 percent of the territory of the district and the transfer of the
15 rights, powers, privileges, duties, purposes, functions, and
16 responsibilities of the district and the district's authority to
17 issue bonds and impose a tax to the municipality are approved by a
18 majority of the voters voting in an election held for that purpose,
19 including an election described by Section 9(h)(2) of this Act:

20 (1) the assets, liabilities, obligations, rights,
21 powers, privileges, duties, purposes, functions, and
22 responsibilities of the district and the district's authority to
23 issue bonds and impose a tax are transferred to the municipality;
24 and

25 (2) the district is dissolved.

26 (c) If on the date the incorporation of the territory of the
27 district is approved at an election described by Subsection (b) of

S.B. No. 1014

1 this section the district owes any debt that cannot be transferred
2 to the municipality, the district is continued until the debt is
3 retired or is restructured in a manner that the debt may be
4 transferred to the municipality.

5 (d) If the conditions described by Subsection (c) of this
6 section are met:

7 (1) the board shall adopt an order certifying that the
8 conditions have been met; and

9 (2) on the effective date of the order:

10 (A) the assets, liabilities, obligations,
11 rights, powers, privileges, duties, purposes, functions, and
12 responsibilities of the district and the district's authority to
13 issue bonds and impose a tax are transferred to the municipality;
14 and

15 (B) the district is dissolved.

16 (e) In addition to any other restructuring methods
17 permitted by law, the district may restructure its outstanding debt
18 for the purpose of transferring the debt to the municipality by
19 issuing refunding bonds secured by:

20 (1) a limited pledge of ad valorem tax revenue not
21 greater than that authorized to be levied by the municipality;

22 (2) a pledge of one or more other sources of revenue
23 available to the district that are also available to the
24 municipality under this section or general law; or

25 (3) a pledge of a combination of revenues described by
26 Subdivisions (1) and (2) of this subsection.

27 (f) The transfer of assets, liabilities, obligations,

S.B. No. 1014

1 rights, powers, privileges, duties, purposes, functions, and
 2 responsibilities of the district and the district's authority to
 3 issue bonds and impose a tax to the municipality under this section
 4 is effective regardless of whether the boundaries of the
 5 municipality are coterminous with the boundaries of the district,
 6 unless the transfer would materially impair the security for a debt
 7 transferred to the municipality. If the transfer would materially
 8 impair the security for a debt transferred to the municipality, the
 9 debt must be restructured in the manner provided by this section
 10 before the transfer may occur.

11 SECTION 5. Subtitle X, Title 6, Special District Local Laws
 12 Code, is amended by adding Chapter 11011 to read as follows:

13 CHAPTER 11011. THE WOODLANDS TOWNSHIP

14 Sec. 11011.001. DEFINITION. In this chapter, "district"
 15 means The Woodlands Township.

16 Sec. 11011.002. LAW GOVERNING DISTRICT. The district is
 17 governed by this chapter and Chapter 289, Acts of the 73rd
 18 Legislature, Regular Session, 1993.

19 Sec. 11011.003. DISSOLUTION OF DISTRICT. (a) If at least
 20 99 percent of the territory of the district is incorporated and the
 21 district is dissolved in the manner provided by Section 14A,
 22 Chapter 289, Acts of the 73rd Legislature, Regular Session, 1993,
 23 only the following sections of Chapter 289, Acts of the 73rd
 24 Legislature, Regular Session, 1993, apply to the municipality in
 25 addition to any applicable general law provisions, a reference in
 26 those sections to the district means the municipality, and a
 27 reference in those sections to the board or board of directors means

S.B. No. 1014

1 the governing body of the municipality:

2 (1) Sections 6(a) and (c);

3 (2) Sections 7(a), (b), (c), (e), (f), (g), (h), (i),
4 (j), (l), (n), (o), (p), (q), (r), (t), (u), (v), (w), (y), (z), and
5 (aa);

6 (3) Section 7H;

7 (4) Sections 9(h)(3), (4), and (5);

8 (5) Section 11;

9 (6) Section 11A;

10 (7) Section 11B;

11 (8) Section 11B-1;

12 (9) Section 11C;

13 (10) Sections 12A(a), (c), (d), (e), and (f); and

14 (11) Section 13.

15 (b) The remaining provisions of Chapter 289, Acts of the
16 73rd Legislature, Regular Session, 1993, do not apply to the
17 municipality after the dissolution of the district.

18 SECTION 6. (a) The legal notice of the intention to
19 introduce this Act, setting forth the general substance of this
20 Act, has been published as provided by law, and the notice and a
21 copy of this Act have been furnished to all persons, agencies,
22 officials, or entities to which they are required to be furnished
23 under Section 59, Article XVI, Texas Constitution, and Chapter 313,
24 Government Code.

25 (b) The governor, one of the required recipients, has
26 submitted the notice and Act to the Texas Commission on
27 Environmental Quality.

S.B. No. 1014

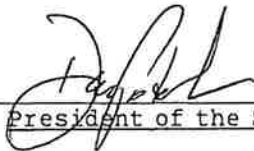
1 (c) The Texas Commission on Environmental Quality has filed
2 its recommendations relating to this Act with the governor,
3 lieutenant governor, and speaker of the house of representatives
4 within the required time.

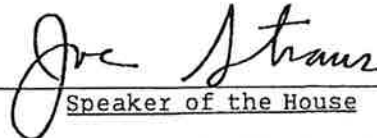
5 (d) The general law relating to consent by political
6 subdivisions to the creation of districts with conservation,
7 reclamation, and road powers and the inclusion of land in those
8 districts has been complied with.

9 (e) All requirements of the constitution and laws of this
10 state and the rules and procedures of the legislature with respect
11 to the notice, introduction, and passage of this Act have been
12 fulfilled and accomplished.

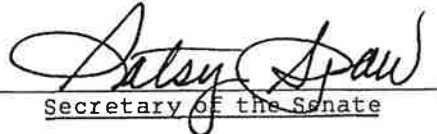
13 SECTION 7. This Act takes effect immediately if it receives
14 a vote of two-thirds of all the members elected to each house, as
15 provided by Section 39, Article III, Texas Constitution. If this
16 Act does not receive the vote necessary for immediate effect, this
17 Act takes effect September 1, 2017.

S.B. No. 1014

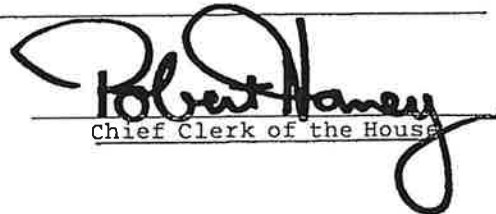

President of the Senate


Speaker of the House

I hereby certify that S.B. No. 1014 passed the Senate on April 25, 2017, by the following vote: Yeas 31, Nays 0; and that the Senate concurred in House amendment on May 27, 2017, by the following vote: Yeas 31, Nays 0.


Secretary of the Senate

I hereby certify that S.B. No. 1014 passed the House, with amendment, on May 24, 2017, by the following vote: Yeas 146, Nays 0, two present not voting.


Chief Clerk of the House

Approved:

6-7-2017
Date


Governor

FILED IN THE OFFICE OF THE
SECRETARY OF STATE
7:00 PM O'CLOCK


Secretary of State



The State of Texas
Secretary of State

I, Jane Nelson, Secretary of State of the State of Texas, DO HEREBY CERTIFY that the attached is a true and correct copy of **House Bill 5311, 88th Session of the Texas Legislature, Regular Session.**

Date Issued: August 4, 2023

A handwritten signature in black ink that reads "Jane Nelson".

Jane Nelson
Secretary of State



Chapter 375

H.B. No. 5311

AN ACT

relating to the creation and operation of a development zone by and the tax revenue received by The Woodlands Township; providing authority to issue bonds; providing authority to impose assessments and taxes.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

SECTION 1. Section 7, Chapter 289, Acts of the 73rd Legislature, Regular Session, 1993, is amended by adding Subsection (gg) to read as follows:

(gg) The district shall be treated the same in all respects as an incorporated municipality for the purposes of Section 183.051, Tax Code.

SECTION 2. Section 11C, Chapter 289, Acts of the 73rd Legislature, Regular Session, 1993, is amended by amending Subsections (b), (f), (l), (p), and (q) and adding Subsections (b-1) and (b-2) to read as follows:

(b) The board, on its own motion or on receipt of a petition signed by the owners of all real property in a defined area of the district, by resolution may create, designate, describe, assign a name to, and appoint the governing body for a development zone in the district:

(1) to promote initial development or substantial redevelopment of the area; or

(2) if the area to be designated as the development

H.B. No. 5311

1 zone is composed solely of one or more hotels, to undertake one or
2 more projects to provide supplemental advertising, promotion, or
3 business recruitment services for the area to increase hotel
4 activity~~[, if the board finds that the creation of the zone will~~
5 ~~further the public purposes of:~~

6 ~~[(1) the development and diversification of the~~
7 ~~economy of the district and the state,~~

8 ~~[(2) the elimination of unemployment or~~
9 ~~underemployment in the district and the state,~~

10 ~~[(3) the development or expansion of transportation or~~
11 ~~commerce in the district and the state, or~~

12 ~~[(4) the promotion and stimulation of business,~~
13 ~~commercial, and economic activity in the district and the state].~~

14 (b-1) The board may create a development zone under
15 Subsection (b) of this section if the board finds that the creation
16 of the zone will further the public purposes of:

17 (1) the development and diversification of the economy
18 of the district and the state;

19 (2) the elimination of unemployment or
20 underemployment in the district and the state;

21 (3) the development or expansion of transportation or
22 commerce in the district and the state; or

23 (4) the promotion and stimulation of business,
24 commercial, and economic activity in the district and the state.

25 (b-2) A development zone composed solely of one or more
26 hotels may fund or provide services for the purposes for which the
27 zone was created.

H.B. No. 5311

1 (f) A resolution designating an area as a development zone
2 must:

3 (1) describe the boundaries of the zone sufficiently
4 to identify with reasonable certainty the territory included;

5 (2) provide an effective date for the creation of the
6 zone;

7 (3) provide a date for termination of the zone;

8 (4) assign a name to the zone for identification;

9 (5) adopt a preliminary financing plan for the zone;

10 (6) establish a tax increment fund or project fund for
11 the zone; and

12 (7) appoint the governing body for the zone or
13 authorize the board to serve ex officio as the governing body of the
14 zone.

15 (1) The board and the governing body each may enter into an
16 agreement considered necessary or convenient to implement a project
17 plan and development zone financing plan and achieve their
18 purposes, including, for a development zone composed solely of one
19 or more hotels, an agreement with a convention and visitors bureau
20 within or adjacent to the district. An agreement may provide for
21 the regulation or restriction of the use of land by imposing
22 conditions, restrictions, or covenants that run with the land. An
23 agreement may dedicate revenue from the tax increment fund or
24 project fund to pay project costs and may provide that a restriction
25 adopted by the governing body continues in effect after the
26 termination of the development zone. The district and the
27 development zone may agree that the district will provide

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1 administration, management, investment, accounting, and other
2 services for the zone in consideration for the benefits received by
3 the district through the implementation of the project plan for the
4 zone.

5 (p) Sections 311.002 and 311.014 through 311.017, Tax Code,
6 apply to the district, except that for purposes of this subsection:

7 (1) a reference in those sections to a municipality
8 means the district and the development zone;

9 (2) a reference in those sections to an ordinance
10 means an order;

11 (3) a reference in those sections to a reinvestment
12 zone means a development zone;

13 (4) a reference in those sections to an agreement made
14 under Subsection (b), Section 311.010, Tax Code, means an agreement
15 made under Subsection (1) of this section;

16 (5) "development" means initial development;

17 (6) "redevelopment" means substantial redevelopment;

18 (7) Section 311.016, Tax Code, applies only if ad
19 valorem taxes are used, in whole or in part, in payment of project
20 costs of a development zone; ~~and~~

21 (8) a development zone created without a duration or
22 date of termination may be dissolved by a two-thirds vote of the
23 board of directors of the district or of the governing body of a
24 municipality or other form of local government, other than the
25 development zone, succeeding to the principal assets, powers,
26 functions, and liabilities of the district, but only if:

27 (A) the development zone has no outstanding

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1 indebtedness or other obligations; or

2 (B) the assets, powers, functions, and
3 liabilities, and any outstanding indebtedness or obligations, of
4 the development zone are expressly assumed by the district or the
5 succeeding municipality or local government; and

6 (9) a development zone composed solely of one or more
7 hotels must be dissolved by the board of directors of the district
8 on receipt of a petition for dissolution of the development zone
9 signed by the owners of at least 60 percent of the assessed value of
10 the real property in the development zone and the district must
11 expressly assume the assets, powers, functions, and liabilities,
12 and any outstanding indebtedness or obligations, of the development
13 zone.

14 (q) Upon the creation and organization of a development zone
15 over the territory of one or more existing development zones, and
16 upon the imposition or assessment by the governing body of an ad
17 valorem tax or limited sales and use tax for the development zone,
18 any [the] existing development zones that impose or assess an ad
19 valorem or sales and use tax are dissolved and abolished and all
20 assets, properties, indebtedness, obligations, and liabilities of
21 the existing development zones transfer to and are assumed by the
22 newly created and organized development zone.

23 SECTION 3. Section 7(gg), Chapter 289, Acts of the 73rd
24 Legislature, Regular Session, 1993, as added by this Act, applies
25 only to taxes remitted to the comptroller of public accounts for a
26 calendar quarter beginning on or after October 1, 2023. The
27 comptroller shall make the first transfer required by that

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1 subsection not later than January 31, 2024.

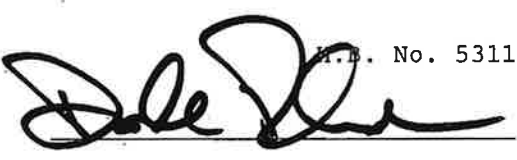

2 SECTION 4. (a) The legal notice of the intention to
3 introduce this Act, setting forth the general substance of this
4 Act, has been published as provided by law, and the notice and a
5 copy of this Act have been furnished to all persons, agencies,
6 officials, or entities to which they are required to be furnished
7 under Section 59, Article XVI, Texas Constitution, and Chapter 313,
8 Government Code.

9 (b) The governor, one of the required recipients, has
10 submitted the notice and Act to the Texas Commission on
11 Environmental Quality.


12 (c) The Texas Commission on Environmental Quality has filed
13 its recommendations relating to this Act with the governor,
14 lieutenant governor, and speaker of the house of representatives
15 within the required time.

16 (d) All requirements of the constitution and laws of this
17 state and the rules and procedures of the legislature with respect
18 to the notice, introduction, and passage of this Act have been
19 fulfilled and accomplished.

20 SECTION 5. This Act takes effect September 1, 2023.


President of the Senate Speaker of the House

I certify that H.B. No. 5311 was passed by the House on May 5, 2023, by the following vote: Yeas 114, Nays 30, 1 present, not voting; and that the House concurred in Senate amendments to H.B. No. 5311 on May 19, 2023, by the following vote: Yeas 127, Nays 9, 2 present, not voting.


Chief Clerk of the House

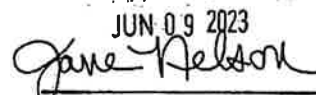
I certify that H.B. No. 5311 was passed by the Senate, with amendments, on May 17, 2023, by the following vote: Yeas 21, Nays 10.


Secretary of the Senate

APPROVED: 6-8-23
Date

Governor

FILED IN THE OFFICE OF THE
SECRETARY OF STATE
9:00 PM O'CLOCK

JUN 09 2023

Secretary of State